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The COMMERCIAL and FINANCIAL CHRONICLE

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N. Y. State Transfer Laws Should Be Amended

Now is the time for Albany to end the long-standing and destructive burden of the State stock transfer tax as increased for "emergency" revenue in 1932 and continued down to this day.

Two reasons meet to make rescinding of the tax desirable.

First, the figures now overwhelmingly support the Wall Street district in its argument that the tax, like the capital gains tax, does the tax-collecting agency more harm than good.

Second, the pressure for immediate and heavy revenue is abated by the war.

It has long been the contention both of the local Exchanges and of the Over-the-Counter business, that the present stock transfer tax, by far the highest in the United States, has definitely turned business away from Wall Street to competing exchanges and trading desks in other cities. Two years ago petitions bearing 100,000 signatures were presented to Albany for modification of the tax on these grounds. Delegation after delegation of Wall Street representatives carried the message to Albany, including 600 employees from Lower Manhattan who paid their own transportation and gave up their holiday on Lincoln's Birthday in 1940 to press petition on the State legislature.

Over and over these folk told Albany that the present stock transfer tax was driving stock business out of the State of New York, with consequent damage to Wall Street, to its ability to employ New Yorkers, and to its ability to pay rents to Lower Manhattan real estate owners. In fact they convinced the Legislature—but not the Governor. When the Legislature voted to revise the tax, the Governor left the bill in his pocket. Presumably he felt the State could not spare the revenue, regardless of the effect on State business.

Statistical evidence of Wall Street's contention has heretofore been impressive but not overwhelming. Brokers and dealers have been losing business here, but also elsewhere in the country. Trading volume has declined slightly further in New York City than in other parts of the country—but perhaps that might be blamed on the SEC's flair for favoring the interior, or just on the general public's allergy to Wall Street.

But "listen here" to the 1941 figures. In 1941 the New York Stock Exchange and the New York Curb Exchange each did 20% less business than in 1940. "All right," you say, "trading on the auction markets is just going out of

(Continued on page 754)

OUR REPORTER'S REPORT

Though forewarned of the likelihood of such development, the reverses suffered by the Allied cause in the last fortnight have found their repercussions in financial markets much to the detriment of contemplated new corporate underwritings.

Whereas a few weeks ago bankers were quite confident of their ability to go through with business in prospect, there is currently a feeling of drab uncertainty with regard to early resumption of new offerings.

Behavior of the markets, as might be expected, has not been conducive to attempts at new financing or refunding of outstanding loans which had been in process of completion.

A number of such proposals, which had virtually reached the offering state, now appear to have been set back indefinitely as a consequence.

Even if the seasoned market were to establish a firm base, around current levels, it is pointed out, the new issues in prospect would, of necessity, be subject to considerable revision from original terms.

Such adjustment might dissuade the issuer it is argued. But along with that side of the picture, there is an indisposition in underwriting and dealer circles to take on commitments under prevailing uncertain circumstances.

It is quite generally agreed that neither potential issuer, nor underwriting banker is likely to display any real enthusiasm for new undertakings at least until the market has adjusted itself more fully to conditions.

Detroit Foregoes Plan

The interruption to new offerings has not been limited by any

(Continued on page 751)

Supreme Court In Bethlehem Shipbuilding Case Rules That Congress Can Draft Business

In an opinion on Feb. 16 the United States Supreme Court ruled that Congress has the constitutional power to draft business organizations in wartime. The ruling was handed down in a 4-to-2 decision which rejected the Government's suit to recover $8,000,000 from the Bethlehem Shipbuilding Corporation which, said the United Press, the Government charged represented "unconscionable profits" on contracts for 86 ships during World War I. The majority opinion, written by Justice Black (and read by Justice Reed in the absence of Mr. Black), was joined in by Justices Reed, Murphy and Byrnes. The dissenting views were those of Justices William O. Douglas and Felix Frankfurter. Chief Justice Harlan F. Stone and Justices Owen J. Roberts and Robert H. Jackson did not participate.

Regarding the decision, we quote the following from United Press accounts from Washington:

> The Court rejected the Government's contention that the exigencies of war constituted "duress" in negotiation of the contracts and held there was no fraud in their making. It affirmed a lower court decision which not only refused to allow the Government to recover, but awarded the corporation an extra $5,272,075 in addition to sums already paid.
>
> The Court said it could not assume that Bethlehem would be recalcitrant in its wartime dealings with the Government, but that even if it had been so the Government could have commandeered "Bethlehem's entire plant and facilities." Therefore, it said, there was no duress in negotiating the contracts.
>
> The Court's opinion said the Constitution "grants to Congress power 'to raise and support armies,' 'to provide and maintain a navy,' and to make all laws necessary and proper to carry these powers into execution."
>
> "Its power to draft business organizations to support the fighting men who risk their lives can be no less," it added.
>
> But if any such action is to be taken, it is up to Congress to do it, the Court said.

Justice Black's opinion rejected in entirety the Government's contentions the Bethlehem profits were "unconscionable"; that the so-called "bonus for savings" contracts—under which the corporation was promised one-half of the amount by which actual costs were lower than estimates—are invalid; or that the Government, at war, literally had a shotgun at its head when it negotiated the contracts.

"The profits made in these and other contracts entered into under the same system may justly arouse indignation," the opinion said. "But indignation based on the notions of morality of this or any other Court cannot be judicially transmuted into a principle of law of greater force than the expressed will of Congress.

"The problem of war profits is not new in this country. Every war we have engaged in has provided opportunities for

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Loan Provisions of the Neutrality Act

When President Roosevelt last week proposed to Congress the suspension of certain financing provisions of the Neutrality Act an important step was taken toward the righting of more than one wrong. Congress acted with commendable promptness on this matter, which concerns the ability of belligerents to borrow in our ordinary capital market. The intent of the Act was to freeze this power for the duration of any war, under the misguided notion that it was British and French war borrowing here that finally involved the United States in the first World War.

In the period after the last war such notions were debated fervently, and with far more emotion than realism. The pink-hued purveyors of anti-financial propaganda made the welkin ring with their assertions that a narrow circle of financial interests involved the nation in that struggle. The prohibition on borrowing by belligerents in the United States market followed, and no such borrowing was done in the course of the present conflict. That the United States finally got into the current war without borrowing of this nature clears away an old fraud.

Lend-lease aid to more than a score of countries, many of them belligerents, made the prohibition on ordinary market borrowing here a dead letter. There remain, however, certain financial transactions to be accomplished by belligerents, and it is most advisable to clear the legal ground for such operations. Although it is not generally realized, a delicate problem of wide scope actually is involved, and the suspension of the borrowing prohibition assuredly will tend toward settlement.

The obvious immediate aim of the Presidential proposal is to enable the Canadian Government to resume normal financial dealings with the citizens of the United States, many of whom hold sizable amounts of Canadian Government securities. In the usual spirit of misguided reform, the borrowing prohibition of the Neutrality Act was overdone and prevented not only new lending, but also refunding by belligerents. The law made no distinction between these types of borrowing, but sweepingly interdicted "any loan" and "any credit" to "any such government."

In a matter of weeks, Canada will have an opportunity to call for redemption an issue of $100,000,000 bonds with 5% coupons outstanding in the United States market. The bonds can be called for payment May 1, 1942, as against the nominal maturity of May 1, 1952. The 5% rate obviously can be bettered and in the financial interest of our northern neighbor the privilege of exercising the option plainly should be made available. The financial burden of the war upon Canada is enormous, and obstacles in the way of savings on debt service account are absurd.

Behind that problem looms another, which concerns intimately some of the other member Nations of the British Commonwealth. Just how the suspension of the financing prohibition will affect such others is not yet clear, but the assumption is warranted that aims others than the refunding of a single Canadian issue are involved. Among these probably is a restoration of Canadian provincial and municipal

(Continued on page 750)

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Prescott Bush Heads USO 1942 Campaign

The appointment of Prescott S. Bush as national campaign chairman for the 1942 campaign of the United Service Organizations (USO) is announced by Walter Hoving, chairman of the board. Mr. Bush succeeds Thomas E. Dewey, who conducted the first USO drive in 1941.

Prescott S. Bush

Mr. Bush is a partner in the private banking firm of Brown Brothers Harriman & Co., 59 Wall Street, New York, which firm has already contributed to the Government the services of two of its partners in the persons of W. Averell Harriman, Minister to Great Britain, and Lend-Lease Administrator, and Robert A. Lovett, Assistant Secretary of War for Air.

Mr. Bush comes to the USO with a soldier's point of view on the morale-sustaining problem facing Army, Navy and production officials, having been on active service in 1916 during the Mexican border troubles, and in the artillery during World War I.

Merton R. DeLong Joins Staff Of Conrad, Bruce

(Special to The Financial Chronicle)

PORTLAND, OREG. — Merton R. DeLong has become associated with Conrad, Bruce & Co., 316 S. W. Sixth Avenue. Mr. DeLong for many years was active as an individual dealer in securities in Portland.

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Stock Exchange House To Form Tuller, Crary,

The New York Stock Exchange firm of Tuller, Crary & Co. will be formed on March 2nd with offices at 63 Wall Street, New York City. Partners of the new firm will be Raymond de Clairville, the Exchange member, Calvert H. Crary, and Robert N. Tuller Co. Mr. Tuller has been proprietor of Robert N. Tuller Co. for many years and prior thereto was with Reynolds & Co. and the Guaranty Company of New York.

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Major Stephenson Leaves Chase Nat'l Bank for Army

Major Edwin A. Stephenson, Assistant Manager of the bond department of the Chase National Bank, is now at Ft. Benning, Georgia, where he is attending the course for battalion commanders and staff officers at the Infantry School of the United States Army. Thereafter he will be assigned to active duty. Major Stephenson has been connected with the bond department of the Chase bank since 1933 and before that time had been associated with the National Park Bank, White, Weld & Co. and Chase Harris Forbes Corp.

Enyart, Van Camp Is Celebrating 10 Years

CHICAGO, ILL.—Enyart, Van Camp & Co., Inc., 39 South La Salle Street, Chicago investment securities firm, celebrated their tenth anniversary on Feb. 1.

Announcement is also made that on and after Feb. 24 they will be in their new quarters at 100 West Monroe Street, Suite 701-4.

The firm deals in over-the-counter stocks and bonds, specializing in Chicago and New York bank stocks, tax warrants, special assessment and real estate bonds and collateral notes.

Officers of the corporation are: Charles E. Enyart, President; Owen V. Van Camp, Vice-President; Jean A. Horacek, Treasurer; Paul M. Ohnemus, Secretary; John W. Burke, Assistant Secretary.

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Brown Closes Advisory Dept.; Thomas Partner In Naess & Cummings

BALTIMORE, MD. — Alex. Brown & Sons announced that it has discontinued its Investment Advisory Department as of Feb. 15.

Paul B. Thomas, who has been head of the firm's investment advisory department since its inception seven years ago, has become a partner, resident in Baltimore, of the New York and Boston investment counsel firm of Naess & Cummings. Since Mr. Thomas has been chiefly responsible for the initiation of advices to clients of the department, and Naess & Cummings have been consultants to it, advices will continue to be made largely by those responsible for them in the past.

Naess & Cummings are investment advisors not only to individuals and institutions, but also to investment trusts and other investment advisors.

In announcing its withdrawal from the advisory field and concentration upon the investment banking business, Alex. Brown & Sons stated that its decision was based on the fact that it appears that a severance of the investment advisory business from the investment banking business is in accord with current trends.

NYSE Special Offering Plan Is Effective

The SEC announces that the New York Stock Exchange plan for "special offerings" has been declared effective for an experimental period. The Exchange believes that the plan may improve the market for some securities traded on its floor.

The effect of the SEC's action, declaring the plan effective, is to exempt distributions carried out in accordance with the plan from rules of the Commission prohibiting the payment of compensation for inducing purchases on the Exchange under certain conditions.

The plan of Exchange for "special offerings" and the SEC action allowing these offerings was mentioned in these columns Feb. 12, page 658.

Curb Names Officers And Committee Heads

The Board of Governors of the New York Curb Exchange, at a special meeting, elected Edwin Posner, of Andrews, Posner & Rothschild, Vice-Chairman of the Board of Governors. John T. Madden, Benjamin H. Namm, and Victor F. Ridder, Class "C" members of the Board, were reelected for a term of one year. (Class "C" Governors are composed of three representatives of the public not engaged in the securities business.) The Board approved the reappointment of the following officers and departmental heads:

Secretary, and Director of Department of Transactions: Charles E. McGowan.

Treasurer, and Director of Department of Administration: Christopher Hengeveld, Jr.

Assistant Treasurer, Joseph R. Mayer.

Director of Department of Securities: Martin J. Keena.

Director of Department of Outside Supervision: Henry H. Badenberger.

The Board also approved the appointment of the following Chairmen of the standing committees for the year 1942-1943:

Committee On Admissions, David S. Cooper; Committee On Arbitration, William B. Steinhardt; Executive Committee, Fred C. Moffatt; General Committee On Securities, Mortimer Landsberg; Committee On Listing, Mortimer Landsberg; Committee On Security Rulings, William S. Muller; General Committee On Transactions, David U. Page; Committee On Stock Transactions, David U. Page; Committee On Bond Transactions, David S. Cooper; General Committee On Outside Supervision, Albert G. Redpath; Committee On Member Firms, Albert G. Redpath; Committee On Business Conduct, Edwin Posner; Committee On Communications and Commissions, Charles H. Phelps, Jr.; Committee On Finance, Austin K. Neftel; Committee On Public Relations, Alpheus C. Beane, Jr.

The reelection of Fred C. Moffatt as Chairman of the Board of Governors of the Curb Exchange, was noted in these columns Feb. 12, page 652.

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DIVIDEND NOTICES

Bayuk Cigars Inc.

A dividend of thirty-seven and one-half cents (37½¢) per share on the Common Stock of this Corporation was declared payable March 15, 1942, to stockholders of record Feb. 28, 1942.

Checks will be mailed.

John A. Snyder
TREASURER

Philadelphia, Pa.
Feb. 13, 1942

MAKERS OF PHILLIES

BRITISH-AMERICAN TOBACCO COMPANY, LIMITED

NOTICE OF DIVIDENDS TO HOLDERS OF STOCK WARRANTS TO BEARER FOR ORDINARY STOCK.

NOTICE IS HEREBY GIVEN that the Directors in their Annual Report have recommended to the Stockholders the payment on the 12th February 1942 of a Final Dividend on the issued Ordinary Stock for the year ended 30th September 1941 of threepence per £1 of Ordinary Stock free of Income Tax and have declared a first Interim Dividend on the issued Ordinary Stock for the year from the 1st October 1941 to the 30th September 1942 of fivepence per £1 of Ordinary Stock free of Income Tax, also payable on the 12th February 1942.

In order to obtain these dividends (subject to the Final Dividend being sanctioned at the Annual General Meeting to be held on the 2nd February next) on and after the 12th February holders of Ordinary Stock Warrants must deposit Coupon No. 188 with the Guaranty Trust Company of New York, 11 Birchin Lane, London, E. C. 3, seven clear business days (excluding Saturday) before payment can be made.

Both dividends will be paid against the deposit of one Coupon only, namely, Coupon No. 188.

Holders of Stock Warrants to Bearer who have not exchanged Talon No. 3 for Talon No. 4 but have deposited Talon No. 3 with the Guaranty Trust Company of New York in New York, in accordance with the arrangement which has been announced in the press, are notified that Coupon No. 188 will be detached from the corresponding Talon No. 4 and cancelled by the Company in London as and when the dividends to which they are entitled are paid.

DATED the 7th day of January, 1942.
BY ORDER.
A. E. JOHNSON, Assistant Secretary.
Rusham House, Egham, Surrey.

OFFICE OF NORTHERN STATES POWER COMPANY (WISCONSIN)
Chicago Illinois

The board of directors of Northern States Power Company (Wisconsin), at a meeting held February 10, 1942, declared a dividend of one and one-quarter per cent (1¼%) per share on the Preferred Stock of the Company, payable by check March 2, 1942, to stockholders of record as of the close of business February 20, 1942, for the quarter ending February 28, 1942.

N. H. BUCKSTAFF, Treasurer.

The United Gas and Electric Corporation

One Exchange Place, Jersey City, New Jersey

February 18, 1942

The Board of Directors this day declared a quarterly dividend of one and three quarters per cent (1¾%) on the Preferred Stock of the Corporation, payable March 20, 1942 to stockholders of record March 5, 1942.

J. A. McKENNA, Treasurer.

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Toronto New York

Frank J. Brophy Joins Dickson Municipal Dept.

Frank J. Brophy has become associated with the municipal bond department of R. S. Dickson & Co., Inc. Mr. Brophy was formerly associated with Halsey, Stuart & Co., Inc. for 12 years. He will make his headquarters in the New York office, 30 Broad Street.

Magma Copper Company

Dividend No. 78

On February 18, 1942, a dividend of Fifty Cents per share was declared on the capital stock of Magma Copper Company, payable March 16, 1942, to stockholders of record at the close of business February 28, 1942.

H. E. DODGE, *Treasurer.*

KENNECOTT COPPER CORPORATION

120 Broadway, New York City

February 17, 1942.

A cash distribution of twenty-five cents (25c) a share and a special cash distribution of twenty-five cents (25c) a share have today been declared by Kennecott Copper Corporation, payable on March 31, 1942 to stockholders of record at the close of business on February 27, 1942.

A. S. CHEROUNY, Secretary.

CHRYSLER DODGE Chrysler Corporation DE SOTO PLYMOUTH

YOU GET THE GOOD THINGS FIRST FROM CHRYSLER CORPORATION

DIVIDEND ON COMMON STOCK

The directors of Chrysler Corporation have declared a dividend of one dollar ($1.00) per share on the outstanding common stock, payable March 14, 1942, to stockholders of record at the close of business February 28, 1942.

B. E. HUTCHINSON
Chairman, Finance Committee

AMERICAN CYANAMID COMPANY

PREFERENCE DIVIDEND

The Board of Directors of American Cyanamid Company on February 17, 1942, declared a quarterly dividend of 1¼% ($.125) per share on the outstanding shares of the 5% Cumulative Preference Stock of the Company, payable April 1, 1942 to the holders of such stock of record at the close of business March 12, 1942.

COMMON DIVIDEND

The Board of Directors of American Cyanamid Company on February 17, 1942, declared a quarterly dividend of fifteen cents (15¢) per share on the outstanding shares of the Class "A" and Class "B" Common Stock of the Company, payable April 1, 1942 to the holders of such stock of record at the close of business March 12, 1942.

W. P. STURTEVANT,
Secretary.

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PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

NEW YORK, N. Y.—**Harold S. Hall** has become associated with **Hemphill, Noyes & Co.,** 15 Broad St. Mr. Hall was previously with H. C. Wainwright & Co., and prior thereto for many years was with Kean, Taylor & Co.

(Special to The Financial Chronicle)
ATLANTA, GA.—**Keith E. Osborne** has become affiliated with **Merrill Lynch, Pierce, Fenner & Beane,** Trust Company of Georgia Bldg.

(Special to The Financial Chronicle)
BOSTON, MASS. — **Ruth O. Huestis** has joined the staff of **General Stock & Bond Corp.,** 10 Post Office Square. Miss Huestis was previously with J. H. Goddard & Co. and Manwaring & Co.

(Special to The Financial Chronicle)
CHICAGO, ILL. — **Andrew C. Stayart,** formerly with Webber, Darch & Co. and Paul H. Davis & Co., has become affiliated with **Thompson Ross Securities Co.,** 39 South La Salle St.

(Special to The Financial Chronicle)
CLEVELAND, OHIO — **Arthur N. Lindsey** has become affiliated with **Goodbody & Co.,** National City Bank Bldg. Mr. Lindsey was previously with Prescott & Co., Prescott, Jones & Co. and Bates & Co.

(Special to The Financial Chronicle)
DETROIT, MICH. — **Ethel C. Anderson** has been added to the staff of **Baker, Weeks & Harden,** Penobscot Building. Miss Anderson was previously with Wm. C. Roney & Co. and W. E. Moss & Co.

(Special to The Financial Chronicle)
FORT WAYNE, IND.—**Harry E. Hill** has become associated with **Leonard J. Fertig & Co.,** Berry, at Court St. Mr. Hill was formerly with Thomson & McKinnon for a number of years.

(Special to The Financial Chronicle)
FORT WAYNE, IND.—**Otto W. Scheumann,** formerly with Central Securities Corp., is now with **Foelber-Patterson, Inc.,** Lincoln Bank Tower.

(Special to The Financial Chronicle)
FRESNO, CALIF.—**Raymond E. Hall** has become associated with **Bankamerica Company,** Bank of America Bldg.

(Special to The Financial Chronicle)
HARTFORD, CONN. — **Edwin P. Lamphier, Jr.,** has become connected with **Trust Funds, Inc.,** 89 Broad St., Boston, Mass.

(Special to The Financial Chronicle)
INDIANAPOLIS, IND.—**Joseph H. Kehl** has become connected with **Brentlinger & Hosea, Inc.,** Fletcher Trust Bldg. Mr. Kehl was previously for a number of years with Straus Securities Co., and prior thereto with Fisher, Schmick & Watts.

(Special to The Financial Chronicle)
INDIANAPOLIS, IND.—**Tipton S. Ross** has been added to the staff of **Cochran, Morrissey & Co.,** Circle Tower Bldg.

(Special to The Financial Chronicle)
LONG BEACH, CALIF.—**Craig Craighill** is now with **W. Mel Wilson & Co.,** 136 Pine Ave.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—**Donald W. Davis** has become affiliated with **Bankamerica Company,** 650 South Spring St.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—**Eugene Garwood Hill,** formerly with Fewel, Marache & Co., is now with **G. Brashears & Co.,** 510 South Spring St.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—**Leonidas S. Barboza** and **Roger B. Wales** have joined the staff of **Davies & Co.,** Pacific Mutual Bldg. Both were formerly with Fox, Castera & Co.; in the past Mr. Wales was local manager for Penry & Mason.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—**Hugh T. Adams,** previously with M. H. Lewis & Co., is now associated with **Nelson Douglass & Co.,** 510 South Spring St.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—**William Forbes Ingold** has joined the staff of **Eldred, Potter & Co.,** 634 South Spring St.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—**Geo. H. Bidwell** is now connected with **Dean Witter & Co.,** 634 South Spring St.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—**Daniel H. McKellar,** formerly with M. H. Lewis & Co., has become affiliated with **Franklin Wulff & Co., Inc.,** Bank of America Bldg.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF. — **Frank E. Driscoll** has become associated with **Wyeth & Co.,** 647 South Spring St. Mr. Driscoll was previously with Fox, Castera & Co., and prior thereto with H. R. Baker & Co.

(Special to The Financial Chronicle)
LOUISVILLE, KY.—**Charles G. Helmrich** and **Edward T. Nelson** have been added to the staff of **Berwyn T. Moore & Co., Inc.,** Marion E. Taylor Bldg.

(Special to The Financial Chronicle)
OAKLAND, CALIF.—**Mel John McClure** has become connected with **L. H. Bullock,** 1501 Harrison St. Mr. McClure was formerly with Protected Investors of America and Norman B. Courteney & Co.

(Special to The Financial Chronicle)
ONTARIO, CALIF.—**Benjamin L. Poulsen** has become associated with **William R. Staats Co.,** whose main office is located at 640 South Spring St., Los Angeles, Calif. Mr. Poulsen was formerly local manager for many years for M. H. Lewis & Co.

(Special to The Financial Chronicle)
PASADENA, CALIF.—**Jerome U. Bihl,** formerly with Fox, Castera & Co., has joined the staff of **Reagan, Carr & Gaze, Ltd.,** 575 East Green St.

(Special to The Financial Chronicle)
PORTLAND, ME. — **Scott G. Bailey** is now with **Timberlake & Company,** 191 Middle St.

(Special to The Financial Chronicle)
ROCKFORD, ILL. — **Daniel I. Smith,** for many years with **Jilbert & Company, Inc.,** is now with **King & Conrads,** 317 West State St.

(Special to The Financial Chronicle)
ST. LOUIS, MO. — **Froman Smith** has become associated with **J. W. Brady & Co.,** 411 North Seventh St. Mr. Smith was formerly with Louis W. Ochs and Associates, and prior thereto with Kerwin, Fotheringham & Co., Inc., and Stifel, Nicolaus & Co.

(Special to The Financial Chronicle)
SAN FRANCISCO, CALIF.—**Dunn Van Giesen** and **Sidney C. Long** have become connected with

Franklin Wulff & Co., Inc., Russ Building.

(Special to The Financial Chronicle)

VINCENNES, IND.—**Dr. E. H. Lane** has become associated with **D. Russ Wood & Co.**, National Bldg., Terre Haute, Ind. Dr. Lane was formerly with Fred J. Sharp of Bloomington.

Tomorrow's Markets Walter Whyte Says—

Despite bad news, Jap victories, bigger taxes and Congressional fiddling, market appears to be building a rally base.

By WALTER WHYTE

Everything that is in the news, the war, the defeats, the Jap conquests, everything including bigger and heavier taxes point to anything but higher markets. Even the market itself is making noises like a dying swan. In fact, if there is anything that anybody can point to and say: "There, there is the reason why the market will go up," I would be ever so thankful if they'd let me know about it. But because everything points so strongly against any advance from this level I have a hunch that is just what this crazy market of ours will do.

* * *

I'll admit that technically a few indications do exist. But these are so sketchy that it would be silly to place too much reliance on them. Still, sketchy or not, they do exist, and with the plethora of bad news, they may prove more important than they first appear to be.

* * *

Last Tuesday, for example, the market went down to what in most averages were new lows on the current decline. But just as it looked as if they were off on another severe setback prices firmed and rallied. True, the rally is nothing to write home about, but it wasn't the small recovery that was so important as the level at which the decline stopped. In the past few months markets have displayed an annoying tendency of making a new low one day and just as they begin to look as if nothing can save them, something comes along and lifts them up again. In this case it was the American Telephone dividend.

* * *

I am fully aware of the possibility that by the time this gets into your hands, everything will have changed again. That is, the market may again be lower and look still lower. (Yet, as this is written, the action of the tape doesn't indicate it.

* * *

This doesn't mean that you are to run right out and buy yourself a load of new stocks (though it mightn't be such a bad idea at that) for unfortunately the rapidity with which the picture changes may make such a step disastrous.

* * *

To buy stocks today one must not only be willing to let them go on any single day's poor action but on even a minute's warning. Even stops would not be much help in present day markets. The volume is too small and markets are too thin. I know you will say if that's the way I feel about stops why do I advise their use. The answer is

(Continued on Page 756)

DELAWARE & HUDSON
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Says Newspaper Over-the-Counter Spreads Too Narrow; Exch. Houses Should Alter Price Policy

A Boston dealer, who prefers not to have his name revealed, writes the following letter to the "Chronicle":

"I have been reading a great deal about your articles on the over-the-counter dealers being protected so that they would be allowed an adequate compensation. I have always contended that the bids should never be right at the market, but should be a half a point to a point lower than the actual bid, and I heartily recommend your campaign to rectify this situation.

"In addition to this campaign of yours. I think another one should be started to get some of these stock exchange houses who are trying to do a broker and a dealer business at the same time, to protect the unlisted dealers. I have run up against small out-of-town offices of New York Exchange houses which offer me bonds for retail and at the same time offer them to customers that I might be calling on at the same price they offer them to me. They do not protect me so that I may make a nominal profit of one-quarter of a point. I have talked with these dealers in the past about this situation, but it just doesn't seem to do any good."

Chicago, North Western Railway Company
New and Old Securities

PFLUGFELDER, BAMPTON & RUST
Members New York Stock Exchange
61 Broadway New York
Telephone—DIgby 4-4933 Bell Teletype—NY 1-310
RAILROAD REORGANIZATION SECURITIES

RAILROAD SECURITIES

Disappointed holders of Erie new common stock and certificates of beneficial interest (and their number is legion), who have been restive over the failure of the management to adopt a constructive dividend policy at the earliest opportunity, are now citing the comments of the Circuit Court of Appeals in the "North Western" reorganization as lending strength to their cause. In upholding the drastic scale-down of "North Western's" capitalization and discussing the natural urge to give old stockholders some participation in the new company, the court finds " * * * the necessity of certainty of interest and dividend payments upon the new securities is quite as important." It is held in some quarters that the directors of Erie have apparently lost sight of the importance of the "certainty of dividend payments," and that the effects of the course adopted so far may not be confined to the securities of Erie but may have far reaching repercussions on all reorganization progress.

No one viewing the question objectively can quarrel with the underlying theory that in reorganization the capitalization should be so set up as to give promise of effective earning power on even the most junior of the new securities under normal conditions. Nothing is gained, and much investment prestige is lost, by the dilution of these potential earnings through creation of a large common stock issue merely so that junior security holders of the old company will have some participation. However, much of the validity of this sound reasoning is lost, in the public mind, if dividends are not forthcoming even when the earning power is there. The question arises as to the necessity of so strictly limiting the new stock capitalization if the stock is to remain "just a piece of paper" in any event. A natural corollary will be a growing disinclination on the part of bondholders to be satisfied with new common stock and are increasing opposition to existing plans, with a growing clamor for larger preferred stock and income bond issues. Many railroad men feel that prompt action by Erie directors, keeping faith with their security holders, would go far towards clearing up the entire reorganization picture.

Reorganizations are consummated to cure the evils of unsupportable debt and unwieldy capital structures. The Interstate Commerce Commission has been particularly conservative in its reorganization plans set up under Section 77. Fixed debt has been reduced drastically, floating debt eliminated and maturities spaced so as to afford the greatest possible protection against future financial crises. By the very nature of things the reorganized roads are presumably not faced with the necessity of diverting cash from earnings to the retirement of debt except through sinking funds which are provided. At the same time, new accounting procedure is set up requiring the roads to set aside a portion of earnings (generally 2% to 3% gross) as additions and betterment fund for capital improvements. This fund, as well as sinking funds, is deducted before arriving at earnings available for the stocks. With property needs thus provided for it had been felt that stockholders had legitimate hopes of sharing substantially in any earnings balance that remained. The question is being asked: If Erie, after a thorough reorganization, and in a boom (earnings last year were indicated above $3.00 a share after allowance for the funds mentioned above), is unable to institute dividends what have holders of reorganization railroad stocks to look forward to?

There are many who hold to the theory that the directors have a definite moral obligation to make the dividend payments, stressing the fact that the certifications of beneficial interest represent claims of old bondholders. These bondholders are entitled to the earnings from the property just as definitely as are the investors who loaned money to other railroads. The disparity of treatment is particularly striking when one considers the position of holders of Baltimore & Ohio junior bonds. Holders of Erie bonds went many years with little, or no income return as did holders of Baltimore & Ohio Convertible 4½s. Now that business and earnings have turned up sharply, holders of the latter are presumably to receive all of their back interest. It hardly seems logical that parties to the sounder practice of thorough judicial reorganization are to be penalized and denied income return. If they are, reorganization must fail of its primary purpose of the creation of a sound capital structure with presumably income producing potentialities.

Railroad
Reorganization
Securities
(When Issued)

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Masters & Tubby With Hemphill, Noyes & Co.

CHICAGO, ILL. — Hemphill, Noyes & Co., 231 South La Salle Street, members of the New York Stock Exchange, Chicago Board of Trade and Chicago Stock Exchange, announce the appointment of Hardin W. Masters as manager of the investment department, and of Harold A. Tubby as manager of the wholesale department, of their Chicago office.

Mr. Masters was formerly a partner in Crane, McMahon & Co., Chicago, and in the past was associated with Hemphill, Noyes & Co., in charge of their investment department. Mr. Tubby has been connected with Hemphill, Noyes for many years.

R. Sumner Gillette With W. F. Rutter Staff

(Special to The Financial Chronicle)

BOSTON, MASS.—R. Sumner Gillette has become associated with W. F. Rutter, Inc., 19 Congress St. Mr. Gillette was formerly proprietor of Gillette & Co. for a number of years and prior thereto was with Vought & Co., Andrew Jensen & Co., and Southgate & Co.

J. B. Pfister Co. Opens

(Special to The Financial Chronicle)

TERRE HAUTE, IND.—J. B. Pfister has formed J. B. Pfister & Co. to engage in a general securities business.

Seaboard RR. Interesting

L. H. Rothchild & Co., 11 Wall Street, New York City, specialists in rail securities have prepared a special circular on Seaboard divisionals and leased lines, which may be had from the firm upon request.

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(L. A. Gibbs, Manager Trading Department)

Bank and Insurance Stocks

This Week — Insurance Stocks

What effect will the cessation of civilian automobile production and restrictions on tires have on insurance volume?

Some dealers and statistical services have been discriminating against companies which write a large proportion of automobile premiums, on the reasoning, *a fortiori*, that 1942 volume of such companies will be severely affected.

Although restrictions on production and use of automobiles and tires will undoubtedly affect insurance volume, interesting data prepared by Alfred M. Best Co., Inc., indicate the danger of overgeneralizing on this point.

According to their figures, the volume and composition of insurance premiums on motor vehicles run approximately as follows:

Controlled by Finance Companies		
Placed with Own Insurance Subsidiaries		$75,000,000
Placed with Other Companies		25,000,000
Finance Company Volume		$100,000,000
Mutual Casulaty Companies and Reciprocals		150,000,000
Stock Company Volume—		
Casualty	$350,000,000	
Fire	150,000,000	500,000,000
Total Motor Vehicle Volume		$750,000,000

Per Cent. to Estimated 1941 Total Insurance Volume, 30%.

In judging the immediate effect of cessation of new car production, therefore, the fact that there are nearly 29,000,000 passenger cars in the United States, of which more than half are less than 5 years old, indicates that the reduction in automobile volume will be more sharply felt by the finance companies financing new car sales than by insurance companies deriving the bulk of motor vehicle premiums from the number of cars outstanding and in use.

In 1941, production of new cars and trucks totaled about 5,000,000 units, so that in determining insurance volume, the automobile production in any one year is not so important as the total number of vehicles outstanding and available for insurance coverage.

In fact, as cars and trucks bought on the installment plan become fully paid up this year, such business will be available for direct solicitation by agents. Much of this business, Best's points out, had never before been available to agents because many motorists as soon as they completed payments on their old car were ready to buy a new one through the same finance company, thus remaining as it were "permanent renters" from finance companies.

The value of used cars has sharply appreciated in recent months, thus adding substantially to insurable values and premium volume derivable from present outstanding number of vehicles. As the supply of serviceable used cars is further depleted, insurable values will keep at high levels.

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Teletype PH 257

Other factors which will probably sustain automobile volume for non-finance company underwriters are: (1) The scarcity of automobile tires and accessories and increased value of automobiles will make them more vulnerable to theft, so that theft insurance should produce increased volume; (2) Tire rationing will probably reduce the number of cars on the road, thus tending to reduce the number of accidents and claims. However, use of older and retreaded tires and continued use of old cars, combined with increased "good time parties," particularly in Defense centers, would be offsetting factors in loss experience; (3) The National Board has recently moderately increased rates throughout the country and further revisions in line with loss experience may be anticipated; (4) The New York Financial Responsibility Law is creating a substantial volume of new business, estimated by Best's to be running at least twice last year's volume.

For 1942, therefore, the cessation of new automobile production does not mean that automobile volume is going to dry up for insurance companies. Those companies which will be most affected will be the finance company subsidiaries and insurance companies reinsuring business originated by finance companies, which depend largely on new car sales. Of course, if the restrictions on output and tire use continue for several years, they would inevitably affect all companies writing motor vehicle insurance.

Even assuming that 1942 volume would begin to reflect on balance the effect of wartime automobile restrictions, the immediate result of lowered motor vehicle volume would be the release of unearned premium reserves set up on the large 1941 business, so that statutory underwriting results would paradoxically be good.

But automobile lines, in any event, have not been important money makers. Stock casualty companies, which write most of the stock company automobile volume, wrote $219,000,000 in automobile liability for 1940, $62,000,000 of automobile property damage and $12,000,000 of auto collision. On the automobile liability, loss ratio was 56.8% and expense ratio, 51.7%; the auto property damage showed a 66.3% loss and 59.9% expense ratio; and the auto collision experienced a 58.4% loss ratio and 51.4% expense ratio.

Based on 1940 statutory results, the automobile liability produced a profit of 4.8%, but this compares with composite profit on all lines of 6.3%, and returns of 20% on fidelity and surety and 5.9% on workmen's compensation. The property damage and collision lines were unprofitable, with losses of 5.9% and 3.1% on earned premiums for 1940. Auto liability turned profitable in 1937 after a long period of unprofitableness, but trend of profits since 1939 has been downward. Property damage turned unprofitable in 1940 for the first time in ten years. Collision has been largely unprofitable since 1933.

Fire companies, too, have not had outstanding success with automobile volume, although recent years' results with motor vehicle lines have been improved substantially compared to four or five years ago. Nevertheless, it is still not unusual for leading fire companies to show loss ratios of approximately 55% on their motor vehicle volume.

Without minimizing the importance of automobile premiums, therefore, from the standpoint of volume, it would seem that these lines in general have not been outstanding earners in recent years, so that from a profits standpoint, recent rate increases and increased attention to the business might actually result in better profit experience with this type of business, despite the lowered volume.

N. Y. Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following weekly firm changes:

Transfer of the Exchange membership of Alfred I. Preston, Jr. to Hines O. Metz will be considered on Feb. 26.

Transfer of the Stock Exchange membership of Colgate Hoyt to David S. Cooper will be considered on Feb. 26.

Hardin W. Masters and James D. Vail, Jr. retired from partnership in Crane, McMahon & Co., Chicago as of Feb. 15.

Interest of Eugene Newman, deceased, in Hardy & Co., New York City, ceased as of Jan. 27.

Interest of James M. Kerr, Jr., member of the Exchange, deceased, in Kerr & Armstrong, New York City, ceased as of Jan. 31.

Interest of George W. Liebman, deceased, in Shaskan & Co., in which he had been a special partner, ceased as of Jan. 24.

Interest of William M. Newsom, deceased in Lawrence Turnure & Co., New York City, ceased as of Feb. 1.

John D. Gerhart To Be Matheson-Lauro Partner

John D. Gerhart will become a partner, as of today, in Matheson & Lauro, 11 Wall Street, New York City, members of the New York Stock Exchange. Mr. Gerhart will act as alternate on the floor of the Exchange for Francis G. Lauro under section 15, Article IX of the Exchange's Constitution. Mr. Gerhart was formerly an Exchange member and was a partner in R. J. Goldman & Co.

Brewer Now Partner

WASHINGTON, D. C.—Joseph Newton Brewer, Jr., member of the Washington Stock Exchange, has become a partner in the firm of Robert C. Jones & Co., Shoreham Building, members of the Washington Stock Exchange, New York Curb Exchange, and Chicago Board of Trade. Mr. Brewer has been associated with the firm for the past twelve years.

Forming Junkin & Cooke, NY Exchange Member Firm

Joseph deF. Junkin, 3rd, member of the New York Stock Exchange, and A. Brendan Cooke will form Junkin & Cooke with offices at 42 Broadway, New York City. Mr. Junkin has been in business as an individual floor broker. It is proposed that Mr. Cooke act as alternate for him on the floor of the Exchange under section 15, article IX.

Suplee Yeatman Opens Branch Under Russell

POTTSTOWN, Pa. — Suplee, Yeatman & Company, Inc., announce the opening of an office in the Security Trust Building under the direction of Thomas L. Russell.

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Deposits £69,921,933

Associated Bank
Williams Deacon's Bank, Ltd.

Australia and New Zealand

BANK OF
NEW SOUTH WALES
(ESTABLISHED 1817)

Paid-Up Capital £8,780,000
Reserve Fund 6,150,000
Reserve Liability of Prop. 8,780,000
£23,710,000

Aggregate Assets 30th Sept., 1941 £150,939,354
SIR ALFRED DAVIDSON, K.B.E.,
General Manager
Head Office: George Street, SYDNEY

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Loan Provisions Of The Neutrality Act

(Continued from page 746)

financing in the United States. In that connection the Securities and Exchange Commission could extend a helping hand by modification of requirements on information relating to proposed borrowers of the category mentioned. It should not be forgotten that the securities enactments put a sudden stop to Canadian provincial and local government financing here.

Restoration of the credit standing of certain members of the British Commonwealth of Nations possibly will follow in due course. Not much of a point has been made of the fact, but it remains a fact that Australian Government 5% loans at a market price of half their par value reflect poorly upon that associate of ours in the United Nations. Unable to finance here in war time, Australia probably concerned herself little with the market value of her loans. But a different aspect is thrown upon all this by removal of the prohibition.

Market circumstances, rather than a low estimate of Australia, plainly have occasioned the depressed prices of Australian loans. Those market circumstances are even more apparent in dealings in United Kingdom of Great Britain and Northern Ireland 4% sterling bonds of 1960-1990. This issue, like many another, was delisted from the New York Stock Exchange in 1936, owing to demands for financial information which had to be made by the SEC under the securities enactments, but which no great sovereign State could contemplate without repugnance. Since then, this issue has sold at greatly depressed counter-market quotations.

Some £2,000,000 of the outstanding British sterling loan were marketed here in 1928, and a sizable part of that flotation still is outstanding here, in £200 pieces. The £200 bonds currently are about $430 to $450 bid, and arrangements are in effect whereby the £8 of annual interest can be realized in dollars at the nominal rate of sterling exchange. The same bonds sell in London at 114 to 116% of par value, with restrictions on the transfer of the securities from New York to London the obvious explanation of a disparity that could hardly exist otherwise. Since the Canadian Government is likely to resume borrowing here soon, the mending of badly tattered financial fences of other British Commonwealth units well may follow.

INSURANCE STOCKS

Mackubin, Legg & Company
Established 1899
Members New York Stock Exchange
BALTIMORE
Telephone—Plaza 9260
Teletype—BA 288
NEW YORK
WHitehall 3-9630
NY 1-563

THE BOND SELECTOR

Application of the Bond Tests Adopted by the New York State Bankers Association

When the Bond Portfolio Conferences of the New York State Bankers Association were concluded in 1940, bankers—and all bond buyers, for that matter—were offered the first comprehensive set of yardsticks for sizing up the investment standing of various types of bonds.

These yardsticks consist of a series of ratios which have been formulated to reduce to the minimum the fundamentals which must, of necessity, enter into a statistical analysis of any bond. By no means have these ratios been selected with the thought in mind that they constitute the only factors which may be considered in evaluating the funded obligations of various corporations; nor were they devised in order to evade more thorough and comprehensive investigation. Rather do they serve, when applied, as a reliable guide to what may be expected if a more detailed analysis is made. However, their greatest value lies in their adaptability to comparisons between two or more bonds in the same industry.

Maximum and minimum ratios have been devised for public utility securities, railroads and industrials, and for different types of companies within these three broad classifications. The public utility field, for example, is broken down into those companies whose power is steam generated, and those with hydro power. In the case of public utility bonds of a company engaged primarily in the generation of electric energy by steam, and whose revenues from the sale of electric energy constitute at least 75% of gross, the following are the pertinent ratios selected by the Bond Portfolio Conferenes:

1. *Fixed Charge Coverage.* Fixed charges should be earned a minimum of 2.75 times. Since the public utility industry enjoys more stable operating results from year to year than to most industries, the requirement for a safe margin of interest coverage is less than would be required of, say, a steel company whose earnings fluctuate widely.

2. *Asset Protection.* The importance of asset protection of a bond is second only to the earning power of the obligor. This requirement is expressed as a ratio of par value of total funded debt to the book value of net property — this latter amount being gross tangible property as shown by the balance sheet, minus the reserve for depreciation. Inasmuch as the requirement for fixed charge coverage of 2.75 times assures ample earnings available for interest charges, if funded debt is equivalent to a maximum of 60% of net property account, the ratio is considered to be conservative.

3. *Asset Production.* An electric utility company requires a relatively large investment in plant and equipment in order to produce $1 of operating revenues. It has been found from experience that if such a company is able to produce $1 of revenues for every $5 invested in net plant, a satisfactory situation in this regard exists. Hence, the ratio between net property and gross revenues is set at a maximum of 5 to 1. If this ratio is much in excess of 5 to 1, it might mean an overstated plant account or inadequate depreciation reserves. When using this ratio, however, the particular type of load contributing the bulk of gross should be known, since an industrial load normally requires a larger investment per dollar of revenues than is the case for a residential load.

4. *Maintenance and Depreciation.* Since a steam generated electric property entails a heavy investment per dollar produced in revenues, an adequate annual charge for maintenance is essential in order to assure maximum efficiency of operation. It is also necessary to provide adequate depreciation charges for property retirements and the usual deterioration of machinery and equipmen which always takes place under normal usage. Experience has shown that a minimum of 15% of operating revenues should be charged annually against earnings for maintenance and depreciation combined. This ratio naturally ties in with the requirement for fixed charge coverage, since if maintenance and depreciation are much below 15% of gross, the reported coverage of fixed charges becomes open to question.

5. *Available For Fixed Charges.* Since "fixed charge coverage" fails to take into consideration the fact that bonds of various utility companies carry different coupon rates, a true comparative basis is the ratio of income available for fixed charges to par value of funded debt. This ratio has been set at 12% as a minimum.

6. *Rate Of Return.* Since the public utility industry is regulated by the several State agencies, the rate of return on property investment is fairly well fixed. Although it is not generally possible to ascertain from a company's balance sheet what its rate base may be, it is usually conceded that 7% as a maximum should represent the ratio between net operating income and net plant account. Should the ratio be much in excess of 7%, the possibility exists that rates are too high; this, in turn, again focuses attention on fixed charge coverage, since a forced rate reduction might mean reduced earnings available for interest. A ratio below 12% might reflect inefficiency of plant or of the management.

7. *Net Income.* Although an operating utility company could experience a trend of increasing operating costs and taxes, it still would be possible, through refunding of debt on a lower interest basis, to maintain a high level of fixed charge coverage. In order to bring this factor into relief and to indicate the surplus of earnings after interest requirements, the ratio of net income to gross revenues is ascertained. This ratio as a minmum should be 19%.

* * *

In next week's Bond Selector we will apply these tests to two well-known operating company bonds.

Southern Municipals

Allen & Co., 30 Broad Street, New York City, have prepared a quotation sheet on active southern municipal bonds given bid and asked prices, copies of which may be had from their municipal department upon request.

Danford With Browning

(Special to The Financial Chronicle)

CINCINNATI, OHIO.—J. Carl Danford has become associated with Browning and Company, Union Trust Building. Mr. Danford was formerly with L. W. Hoefinghoff & Co., Inc. and prior thereto was President and Treasurer of J. C. Danford & Co.

Our Reporter's Report

(Continued from first page)

means to the corporate bond market. Rather it has been quite severely felt in other directions as well, notably in the municipal section of the money market.

The pace of new issues and refundings has been slow in that direction for several weeks, or since the last New York City undertaking.

Now it is announced that Detroit city officials have decided to forego plans for near-term sale of refunding obligations due to the weakness in the general situation.

The big "motor capital" has been contemplating the sale of some $28,949,000 of refunders.

Schenley Deal Off Again

The attitude of underwriters, in the present situation, was indicated when it was learned that the group which had expected to bring out the Schenley Distillers Corporation's revised offering this week had again deferred signing up for the issue.

This business started out originally as a $27,500,000 undertaking some weeks ago. Then as market conditions underwent a change, the scope of the offering was brought down to $15,000,000 to carry a 2¾% coupon.

While it was not so definitely stated, it now appears that the issue, which had been tentatively set for yesterday, is once more off indefinitely.

Utility Divestments

Washington and its various agencies which have to do with the power industry and carrying out of divorce provisions of the "death sentence" clause of the Public Utility Holding Company Act, are not, it is argued helping to make fulfillment possible.

In market quarters the point is made that a good market is essential to enabling the big holding companies to dispose of their interests in operating units which must be divested.

But, it is argued, the propaganda of the Washington agencies is conducive to everything but a good market. People are told to dispose of their investments to conform with the law, it is contended, but the flow of publicity from various sources merely increases the difficulty of undertaking the job.

Must Have Market

There are no two ways about it those who would like to see the utility task carried through assert. The job is an immense one and a formidable market must provide the backdrop for it.

To carry through the provisions of the law, calling for the relinquishment of control of operating companies by holding units, it is pointed out, will require the creation of a market for millions of shares.

North American Company's contemplated sale of some 2,900,000 shares of stock of the Union Electric Company of Missouri, now in process of going through, but likely to await a better market, is cited as an example.

And, it is declared, there are plenty more such deals to be negotiated.

Howard W. Burns Becomes Partner In W. Adams & Co.

(Special to The Financial Chronicle)

BOSTON, MASS.—Howard W. Burns has become a partner in Weston W. Adams & Co., 20 Kilby St., members of the Boston Stock Exchange. Mr. Burns was formerly associated with Proctor, Cook & Co.

Investment Trusts

Investment Company Briefs

Preliminary and tentative estimates of the possible 1942 earnings of most of the common stocks in the Selected American Shares, Inc. portfolio have just been made by Security Supervisors, Inc., investment managers. Basing their predictions on carefully prepared estimates made company by company, which are likely to come closer to the mark than off-hand guesses, Security Supervisors refutes the rather popular notion that earnings may be practically eliminated by rising taxes and labor costs not to mention "red tape" costs.

Two primary assumptions are made in these estimates: (1) that the war will continue throughout the year; (2) that taxes will be raised sharply. In computing taxes for these estimates, corporate normal and surtax were raised from the present 31% to 35%; the excess profits tax rate was raised from the present maximum of 60% to 75%; the average earnings exemption was reduced from 95% to 85% of the base period; the invested capital exemption was reduced from its present level of 7% and 8%, to 6%.

From the work done, it appears that the aggregate 1942 earnings of the common stocks now in "Selected's" portfolio, weighted for the exact number of shares actually owned, may not decline more than 10% to 20% in comparison with their earnings (also mostly estimated, as yet) for 1941.

If the earnings decline were no greater than thus estimated, it would mean these stocks would earn this year about the same money they earned in 1940—earnings which were generally regarded as rather good at the time.

* * *

"These days you are frequently seeing in the paper that such-and-such a company earned $4.00 a common share before taxes, and $2.00 a common share **'after taxes.'**

"Suppose that company is paying a $1.00 dividend. Then, those figures mean that there was a 4-times dividend coverage before taxes and a 2-times dividend coverage after taxes.

"Income taxes, in other words, have a big effect upon common stocks.

"With bonds, it's different.

"If you know that a bond coverage is "4-times," then you also know that under present laws this protection is unaffected by income tax rates.

"You know this because bond interest comes before income taxes. Coverage of bond interest is not affected by the portion of the remainder taxed away after the bond interest is provided for. . . .

"Actually, the fact is that gross earnings have not been stationary while taxes have been rising. Gross earnings have been going up also, particularly in the case of the railroads.

"This means that earnings per share of common stocks after taxes have more than held their own—but bonds, particularly low-priced 'credit bonds,' are the major beneficiaries of better business. Not, of course, in any change in their fixed coupons, but rather in their coverage of protection and hence in their quality.

"Bonds of that type comprise the portfolio of Union Bond Fund 'C'."

—From "The Union Dealer."

* * *

Boston Fiduciary and Research Associates, investment counsel to the Keystone Custodian Funds and outstanding advocates of the classifying of securities according to types, have analyzed and rated all companies having listed securities for their probable rates of operation and their earnings prospects under all-out war economy.

Three ratings are given each security — Activity, the probable rate of operation; Gross Earnings prospects; and Net Earnings. Activity is rated as "A" — forced draft, "B" — average prospects, "C"—probable curtailment. Gross Earnings and Net Earnings are rated as: "1"—better-than-average, "2"—average, "3"—less-than-average.

This new classification fits naturally into the comprehensive system already developed by the Boston company to analyze and tabulate securities according to their various characteristics. This tabulation makes possible the proper selection of securities for the various Keystone Custodian Funds. Each series of the Keystone Funds serves a different purpose and the listed securities are classified by types to serve the different purposes. From these classifications are selected those issues which appear most favorable at the moment. The selection, of course, is continuous.

* * *

Hare's Ltd., sponsors of Aviation Group Shares, points out that whereas the profit margin on sales of aircraft manufacturers, due to higher taxes and other causes, decreased from 12.3% in 1940 to 7.6% in 1941, that their net profits in 1941 were nevertheless 62% higher as a result of sales in 1941 being 160% higher. Hare's Ltd. anticipates that higher taxation, as expected, will again be offset through sales this year being double those of 1941. "On double the volume of sales," it is stated, "profit margins could be cut in half (reduced to 3.8%) which is even more drastic than anticipated, and yet these companies could equal last year's net earnings."

With regard to airline companies' earnings, Hare's Ltd. reports: "In that income from Government mail pay is exempt from excess profits taxes, airline companies are subject to less taxation than the manufacturers of aircraft and thus it will be noted that their estimated profit margin to sales decreased but slightly in 1941 despite sales being some 33% higher than in 1940. Based on the growing demand for air transportation and the additional equipment which is expected to become available to airlines this year, we anticipate that their sales will again show a substantial increase in 1942, which will act as an offset to higher taxation."

At the present time approximately 72% of the funds of Aviation Group Shares are assigned in varying proportions, throughout the stocks of leading manufacturers of airplanes, airplane engines and propellers, and 28% throughout the stocks of airlines which have demontsrated outstanding earning ability over the past few years.

* * *

The Annual Report of Massa-

(Continued on page 752)

NEW YORK STOCKS, INC.
RAILROAD SERIES
PROSPECTUS ON REQUEST
HUGH W. LONG and COMPANY
INCORPORATED
15 EXCHANGE PLACE
JERSEY CITY
634 SO. SPRING ST.
LOS ANGELES

Municipal News & Notes

Recently renewed proposals to circumvent the tax-exempt feature of the income from municipal securities has resulted in a virtually continuing decline in prices. Although this reversal of trend has not been particularly startling in recent weeks, traders report that there has been a steady dribble of liquidation day in and day out, although offerings at no time have reached any alarming proportions. Quotations on most issues at present are close to, or below, the levels reached just after entry of the United States into war against the Axis powers. City of New York transit unification 3s, for example, sold on Monday at 99⅞, or only fractionally below their 1941-42 low of 100. At one time last year these bonds were selling above 111. Obligations of New York State and other important local governments having high credit standings also are off considerably from their pre-war tops, more so than in the case of some of the less important local issues where the floating supply is small. It is emphasized that New York State bonds coming in for sale during recent weeks have included virtually every coupon and maturity. In the circumstances, it is only natural that municipal bond men are watching closely for developments on proposals that would circumvent the tax exemption feature of such issues.

Mayors Assail Municipal Tax Proposal

If the government succeeds in taxing outstanding municipal and state securities as urged by Secretary of the Treasury Henry Morgenthau it will be taking the next to the last step toward destruction of the American system of government. That is the opinion expressed by the United States Conference of Mayors in the current issue of its publication, United States Municipal News. The conference is headed by Mayor Fiorello H. LaGuardia of New York.

"How the Secretary could propose such action is completely baffling," the publication declares. Citing a Treasury statement issued as late as March 14, 1941, pledging Treasury opposition to taxation of local government securities already issued, the Municipal News asks:

"Can any one respect an official's word any longer in the face of the facts?"

The Treasury statement referred to said in part: "Secretary Morgenthau has consistently voiced opposition to proposals which would subject the interest on outstanding state and municipal securities to Federal taxation."

It also quoted Treasury attorneys as saying that holders of such securities do not "have any reason to fear the imposition of taxes on oblgations now outstand- taxes on obligations now outstanding."

Tax Plan Scored as Curb on States

Indications that the Treasury's proposal to tax municipals is encountering considerable opposition, not only from organized groups and State and local leaders, but also in the halls of Congress, is heartening. Just last Thursday, Senator Warren R. Austin (Rep., Vt.), charged that Federal taxation in this matter would "capture the most effective weapons of State and municipal defense."

"This reform of government under the pretense of obtaining war revenue must be blocked," the Senate's assistant minority leader declared.

To increase local interest costs, Austin said, would greatly impede State and municipal cooperation in the nation's all-out war effort.

Austin also said the Treasury's proposal, now before Congress, "would not help to win the war."

"No change in the constitutional structure of this republic has yet been made by the New Deal which goes so far toward the destruction of local government and the creation of a national oligarchy," he said.

The Republican point of view on the war, said Austin, contemplates three objectives:

First, winning the war.

Second, preserving, so far as consistent with the winning of the war, the constitutional safeguards of the Union of Sovereign States.

Third, the recovery, after the victory, of the power of government by the people, and the restoration of State sovereignty.

Wartime Fiscal Policy Recommended For Cities

Cities should pull in their belts and anticipate probable drops in revenues, especially from gasoline and property taxes, in calculating budgets for the next few years, a statement of wartime fiscal policy for local governments by the Municipal Finance Officers Association recommended last Thursday.

"Municipal revenues from some sources will shrink," the statement said. "Gasoline tax distributions by the states to cities and counties will decline. Real estate tax collections may be adversely affected by the impact of heavier Federal taxes. Some licenses, permits and fees will decrease; others may increase. Certain personal property assessments will decline sharply; some others may go upward because of higher price levels."

Municipal utilities in many areas "will experience violent fluctuations in sales," the Association said. "There will be some radical increases due to war industries and other serious declines due to blackouts or curtailment of non-defense industries."

The statement recommended the local finance officer maintain the city's finances in as sound a position as possible by balancing the budget, eliminating deficits and collecting old tax accounts—all to prepare for the shock of a post-war letdown. Meantime, according to the statement, it is the municipal official's duty to keep all municipal equipment in good working order, pool its use wherever possible, salvage outworn equipment for city needs and for defense, and eliminate all possible waste.

Any Federal funds granted localities for wartime or defense use should be handled through existing financial organization of the city, the statement recommended. To this end municipalities should have legislative authority adequate to receive and disburse Federal grants and carry out other requirements of a war emergency as well as any postwar program.

The statement stressed the need for harmony in the fiscal plans of Federal, State and local governments, the Federal Government being recognized as leader. To accomplish harmony, it said, municipalities must avoid competition with the national government for manpower and materials needed for the war program, and therefore must postpone until after the war all non-defense public works not vital to the city.

While the Federal Government should be expected to finance in full all activities related solely to the national war effort, local governments, the statement said, should refrain from asking Federal aid in purely local matters.

NEW ORLEANS

LOUISIANA
and
MISSISSIPPI
MUNICIPALS

Scharff & Jones
INCORPORATED
Whitney Bldg.
Jackson Miss. NEW ORLEANS Shreveport La.
Bell Teletype—NO 180

Municipal Exemption Compromise Plan Suggested

Potentialities in a compromise settlement of the problem of tax exemption of state and municipal issues, under which exemption would be removed for a specified period only, are discussed in a bulletin issued recently by H. C. Speer & Sons Co., 135 South La Salle St., Chicago, Ill.

A "feasible compromise" was suggested as a logical way of solving this vital question, although it was noted that "there has been no suggestion of any compromise and there is no certainty that one will be adopted if proposed."

A possible compromise, the bulletin said, would be to tax the income from all issues, present and future, for a specified limited time, such as the duration of the war and a fixed period thereafter, such as one fiscal year, and making future income from then existing and future issues non-taxable.

N. Y. Housing Bonds Held Tax Exempt

The New York City Housing Authority is in receipt of an opinion prepared by its bond counsels, Hawkins, Delafield & Longfellow of New York, on the tax status of the Authority's bonds. The opinion cites the section of the U. S. Housing Act through which housing bonds are construed as immune to Federal taxes and holds that this creates a contract between the Government and the ultimate purchaser.

Under such a contract, they conclude, the bondholders have a right to be free from taxation as to either principal or interest, this right being protected by the "due process" clause of the Federal Constitution.

N. Y. Port Authority Revenues Hold Firm

While many observers are convinced that curtailment of automobile sales, rationing of new tires, possible rationing of gasoline and allied factors will add up to less revenue for various toll bridge and tunnel ventures this year, the figures for the Port of New York Authority for the first month of 1942 do not as yet bear out this prediction.

For all enterprises of Port Authority the grand total for January was 2,091,850 vehicles, against 1,928,545 in the corresponding month of last year, an increase of 8.5%.

However, many observers believe that as the year proceeds the results of less automobile driving by civilians will become more and more evident and that this also will be felt by states which obtain a big share of their revenue from gasoline taxes.

Detroit Discards Refunding Bond Offering

Just after the start of the new year it was the intention of Detroit, Mich., finance officers to sell almost $29,000,000 of refunding bonds about Feb. 1. However, a technicality in a new statute necessitated re-advertising the intention to offer, which would have made the date of sale about Feb. 14. Because of the unsettled conditions now prevailing in the general municipal market, the city has decided to hold this refunding operation in abeyance until the market is in a favorable condition, when satisfactory bids can be expected.

FLORIDA

FLORIDA
MUNICIPAL BONDS

Our long experience in handling Florida issues gives us a comprehensive background of familiarity with these municipal bonds. We will be glad to answer any inquiry regarding them at no obligation.

R.E. CRUMMER & COMPANY
INVESTMENT SECURITIES
1ST NAT BANK BLDG CHICAGO ILLINOIS

Alexandria Sells Bonds

The Harris Trust & Savings Bank of Chicago, and associates, were awarded Tuesday the $750,000 public improvement bonds of Alexandria, Va., naming a price of 101.857 for the 2½% obligations. Tuesday offering marked the second attempt on the part of the city to sell this issue, which had become a topic of discussion in municipal circles. On Jan. 26 last city officials rejected a high bid of 101.28 for 2½s submitted by a group composed of Alex. Brown & Sons, Goldman, Sachs & Co. and Kaiser & Co.

That sale took place following the address by Secretary of the Treasury Morgenthau in which he recommended legislation designed to make outstanding, as well as future, issues of State and municipal bonds subject to Federal income taxes. It was believed at that time that the threat involved by Mr. Morgenthau's speech forced the bids on the new issue down about 5 or 6 points.

Alex. Brown & Sons and associates submitted on the second offering practically the identical bid as in the previous one, naming 101.289. Even the high bid Tuesday reflected no great change in dealers' appraisal of the issue under the persistent threat of taxation.

Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over — short term issues excluded), which are to come up in the near future. The names of the successful bidder and the runner-up for the last previous issue sold are also appended.

Feb. 24th

$3,065,000 Rochester, N. Y.

Blair & Co., Inc., of New York, obtained the award of the bonds offered last September. Lehman Bros. of New York, and associates, entered the runner-up bid.

Feb. 25th

$4,000,000 Tacoma, Wash.

This city awarded bonds last August to a syndicate headed by John Nuveen & Co. of Chicago, whose alternate bid was also second best of the number received. The Union Securities Corp. of New York, and associates, entered the next highest offer.

Feb. 27th

$2,000,000 Harris Co., Tex.

Last May the county awarded an issue to a syndicate headed by the First Boston Corporation, whose bid topped that placed by Harriman Ripley & Co., Inc., and associates.

Feb. 28th

$526,000 Monroe, La.

This city has not negotiated any bond sales recently.

Investment Trusts

(Continued from page 751)

chusetts Investors Second Fund indicates that during 1941 shares outstanding increased by nearly 78,000. As at the year-end, there were over 900,000 shares outstanding in the hands of more than 8,000 shareholders.

Dividends representing net income from investment paid within the year totalled 47 cents a share, all of which—the Report states—are not subject to Federal income tax. Quarterly payments during 1941 were as follows: March 20—12 cents; June 20—10 cents; Sept. 20—11 cents; Dec. 24—14 cents.

Investment Company Reports

American Foreign Investing Corporation—December 31, 1941.

Total net assets of $658,813 at Dec. 31, 1941 were reported by American Foreign Investing Corporation. The asset value per share of the common stock was $7.36 compared with $6.32 one year earlier, according to the report, which represents a gain of 22.78% after allowing for cash dividends of 40 cents paid during the year.

Interest and dividend income for the year totalled $33,557 and expenses amounted to $30,713, leaving net income of $2,855.

Writing in the letter to stockholders accompanying the report, dated Feb. 3, 1942, Robert S. Byfield, President, said: "The continuing rising tide of prosperity in Latin America seems to be fulfilling our most optimistic expectations. There are many new favorable political and economic developments in Inter-American matters and the successful culmination of the Rio de Janeiro Conference last month is beginning to attract a great deal of public attention to the advantages of investment in Latin America which we have been anticipating for some years.

"Since the end of 1941, Latin American dollar bonds have generally enjoyed a further rise and as a result the asset value of a share of our stock has risen to $8.83 as of today."

B. F. Townsend Dies

B. Frank Townsend, Jr., President of the Philadelphia Stock Exchange and partner in the brokerage firm of DeHaven & Townsend, died on Feb. 12 at his home in Wallingford, Pa. He was 72 years old. The following is taken from the Philadelphia "Inquirer" of Feb. 14:

> A native of Wilmington, where he was educated in the public schools, Mr. Townsend came to Philadelphia while a young man and went to work as a clerk in the brokerage house of DeHaven and Townsend.
>
> He became a senior partner at the turn of the century.
>
> Mr. Townsend became a member of the Philadelphia Stock Exchange in September, 1901, was elected a trustee in May, 1923, became a governor of the exchange in March, 1931, and was elected to the Vice Presidency in March, 1934. He became President of the exchange in March, 1940, was reelected in March, 1941, and was serving his second term at his death.

Earl Mendenhall Dead

Earl Mendenhall, Assistant Secretary, Treasurer and Sales Manager of Paul & Co., Inc., Philadelphia investment house, died on Feb. 14th at the age of 57. A descendant of the founders of Mendenhall, Pa., he was a graduate of Friends Central School and the University of Pennsylvania. Mr. Mendenhall was well-known in Philadelphia investment circles, in the past being a partner in the firm of Chandler Brothers & Co. He was a founder of the Security Salesmen's Association of Philadelphia, of which he was president in 1933.

Holds Government Can Draft Business

(Contiued from First page)

profiteering and they have been too often scandalously seized."

To meet this "recurrent evil," the majority said, Congress has at times authorized price-fixing, limited profits, recaptured high profits through taxation, and expressly reserved for the Government the right to cancel contracts.

"It may be that one or some or all of these measures should be utilized more comprehensively, or that still other measures must be devised," it said. It then pointed out that this is a responsibility of the President and Congress.

Justice Frank Murphy, in a concurring opinion, explained he does not approve of the 22% profit and regards "such an arrangement not only incompatible with sound principles of public management but injurious to public confidence and public morale." He suggested Congress be "alert" to prevent a repetition.

Nevertheless, he argued that the possibility the Government "may be relieved of bargains 24 years after agreeing to them is not conducive to mutual trust and confidence between citizens and their Government."

The majority found nothing in the contract negotiations to show that Bethlehem forced the Government's representatives to accept contracts against their will.

Justice Frankfurter, in his dissenting views, referring to Bethlehem's 22% profit potential, protested that "even in usurious transactions the lender takes the risk of the borrower's insolvency—here Bethlehem took no risk at all." The United Press went on to say:

> He rejected the majority's argument that the President could have commandeered the Bethlehem property in lieu of permitting the Government to be subjected to duress—duress which they contended had not existed.
>
> "The legal alternative was not an actual alternative, and Bethlehem knew this as well as the representatives of the Government," . . . he said. "This Court should not permit Bethlehem to recover these unconscionable profits, and thereby make the Court the instrument of this injustice.
>
> "Today it is held that because the circumstances of this case cannot be fitted into a neatly carved pigconhole in the law of contracts, daylight robbery, exploitation of the necessities of the country at war, must be consummated by this Court."
>
> Justice Douglas held that the "bonus - for - saving" provision was separate from the main contract, and that Bethlehem could collect under it only providing it rendered "an additional performance" designed to promote efficiency and economy.

The same advices state that the Bethlehem ruling is expected to expedite legislation designed to curb profits during the present war. It is added:

> David I. Walsh, Democrat, of Massachusetts, Chairman of the Senate Naval Affairs Committee, and Carl Vinson, Democrat, of Georgia, Chairman of the House Naval Affairs group, have proposed sharp limitations. And sharply increased excess profits taxes are in prospect.

Massachusetts Mutual

LIFE INSURANCE COMPANY

SPRINGFIELD, MASSACHUSETTS

Bertrand J. Perry, President

SUMMARY OF ANNUAL STATEMENT

ADMITTED ASSETS		December 31, 1941
Bonds, Mortgages, and other Assets		$745,739,728
Interest Due and Accrued		8,400,215
Premiums Due and Accrued		11,816,886
Total Admitted Assets		$765,956,829
LIABILITIES		
Policy Reserves		$578,177,202
Policyholders' Funds		145,378,542
Policy Claims in Process of Settlement		2,802,878
Dividends to Policyholders		8,722,625
Taxes		2,346,149
Miscellaneous Liabilities		1,017,412
		$738,444,808
Special Reserves	$ 7,168,880	
Surplus	20,343,141	
Surplus and Special Reserves		27,512,021
Total Liabilities and Contingency Funds		$765,956,829

United States Registered Bonds included in the above statement are deposited as required by law; State of Massachusetts, $250,000; State of Georgia, $10,000

Insurance in Force December 31, 1941, 527,646 policies for $2,025,443,549

Payments to Policyholders and Beneficiaries in 1941:	
To Living Policyholders	$27,714,930
To Beneficiaries	18,921,394
	$46,636,324

Since organization in 1851, this Company has paid in benefits to its policyholders and their beneficiaries over 983 Million Dollars.

Elected Directors

Paul V. Shields and Cornelius Shields, both of the investment banking firm of Shields & Co., New York, have been elected members of the Board of Directors of The Maryland Drydock Co., according to announcement by George French, President of the company. The company recently admitted the public to ownership in its securities through the sale of common stock previously held by the Koppers interests in Pittsburgh.

Charles M. Gooding With William R. Staats Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Charles M. Gooding has become affiliated with William R. Staats Co., 640 South Spring St., members of the Los Angeles Stock Exchange. Mr. Gooding was formerly manager of the statistical department for M. H. Lewis & Co. and prior thereto was manager of the statistical department for Cavanaugh, Morgan & Co., Inc.

Form Flannery-Jackson

(Special to The Financial Chronicle)

YOUNGSTOWN, OHIO — The firm of Flannery-Jackson & Co., Inc. has been formed with offices in the Union National Bank Building to engage in a securities business. Officers of the firm are Joseph C. Flannery, President, Stacy T. Jackson, and Arthur Morgan. Mr. Flannery and Mr. Jackson were both previously with Wm. J. Mericka & Co., Inc. and Singer, Deane & Scribner.

Lazar To Direct Dept.

CHICAGO, ILL.—Martin Lazar will be in charge of the newly-opened foreign bond department of Brailsford, Rodger & Co., 208 South La Salle Street, members of the Chicago Stock Exchange. Mr. Lazar has been associated with the firm for some time; in the past he was president of his own firm, Lazar & Co.

Brailsford, Rodger & Co. have just issued a book on "Latin American Solidarity and What It Means to the American Investor."

SEVENTY-NINTH

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

ANNUAL REPORT

December 31, 1941

Total Admitted Assets	**$1,166,498,365.48**
Total Liabilities	**$1,067,917,035.08**
General Surplus Fund	**$98,581,330.40**
Total Insurance in Force	**$5,078,564,528.00**
Payments to Policyholders *During 1941*	**$99,267,900.27**

PUBLIC CONFIDENCE in our Company's strength and public appreciation of the quality and usefulness of its services in 1941 may be measured by the increase of assets in the sum of $112,128,733.63; by the increase of insurance in force of $464,746,466.00; and by the increase of total insurance in force to more than $5,000,000,000.00 — a mark of exceptional attainment, made possible by the participation of over 6,000,000 policyholders.

1941 is the year of our Company's greatest achievement.

GUY W. COX, President

This Company offers all approved forms of life insurance in large or small amounts, including group coverage; also annuities for individuals and pension and retirement plans for corporations and educational institutions.

A COPY OF THE COMPLETE ANNUAL REPORT WILL BE SENT ON REQUEST

The Securities Salesman's Corner

Some Suggestions Regarding The Use Of A Portfolio

A salesman's brief case should be something like the tool kit in his car. He should always have it with him. It should be well filled with factual data in case he might need some visual evidence to bolster his claims. And, like a tool kit, the less he uses it—the better.

It seems to be an axiom of human behavior that the greater the effort to prove a point the more the ensuing disbelief. Sometimes this strenuous effort to convince another is known as "overselling." This, in our opinion, is why the open brief case, filled to overflowing with voluminous charts and graphs, and copiously displayed before the person we wish to impress with the force of our argument, usually falls far short of the mark. The average person instinctively turns away from complicated displays of figures and formidable collections of printed matter. If we may be allowed to digress for just a moment, this is one reason why the present day SEC prospectus fails in its purpose of protecting the investor. The average investor does not read it—it looks too formidbale. He'd rather not be bothered.

It is our opinion that a brief case is valuable to prove a specific point that a salesman might be discussing with his client. Let us assume, for example, that a salesman is interested in offering a stock of a company that both his firm and himself believe to be an attractive investment. If such is the case he naturally will make a thorough study of the subject company and in the course of this invesitgation he should accumulate certain factual data that would be of interest to anyone who might consider the purchase of the stock of such a company. This information should be filed in his portfolio and it should have a definite bearing upon the conclusions which prompted him to make an offering of this stock to his customers.

By way of example, let us assume that a salesman might now be interested in offering a stock of a company engaged in the woolen business. As a result of his studies of the woolen situation he might have accumulated several articles from current periodicals in regard to the potential demand for woolen goods for the armed forces. The textile and trade magazines would supply him with excerpts discussing available woolen supplies. Probably the daily papers might also carry items discussing the company in question and its subscription of defense bonds or its favorable labor relations record which might also show capacity employment during the present emergency. A study of the company's financial history might also show certain factors that would look very much more impressive in graph form than as the figures appear in the balance sheeet. These graphs should go into the brief case. Some of the company's advertisements which appear in national magazines might also be included. Such a collection of data is impressive because it is logical and concise.

It is our opinion that a salesman should not open up his brief case and proceed to give his impatient prospect a stereotyped discussion of the outstanding features of the security he might be offering. On the contrary, we believe that a brief case that is well supplied with "visual proof" of certain points that a salesman might wish to present to his client, is much more valuable if it is used when a question arises or a doubt is expressed. In the case of the data suggested in the foregoing paragraph there would be made available, instantaneous proof of certain assumptions that any salesman might place before his prospect, providing certain doubts arose during a sales presentation. For instance, let us assume that doubt might be expressed as to the amount of wool that would be consumed by a 4,000,000-man army—or concern of the management's efficiency or ability—or the financial status of the company—or the effect of a return to peace-time conditions on the business and earnings of this company. It would be during a discussion of such factors that we believe that it would be sound salesmanship to open up our brief case and present the visual evidence that previously had been accumulated.

The printed word carries a great deal of weight. That is why excerpts from the press and from trade papers are so valuable when it comes to proving the spoken word. A thorough, workmanlike job of investigation and analysis before a security is selected for offering to an investor will also be evidenced by the amount of data collected about the subject company and the industry of which it is a part. People are also impressed when they see that a workmanlike job of analysis has been accomplished before a security offering is made—a well filled portfolio is helpful in establishing this fact.

P. S.—The brief case we prefer is one that contains a ring binder so that installations can be changed as required. It should have a zipper binding around the edges and it should lie flat when placed upon a desk. Our preference has also been for an envelope style, large enough to hold letter-head-size paper—this, of course, is a matter of individual preference.

Adams, Fleming Named Public Govs. By NYSE

Emil Schram, President of the New York Stock Exchange, announced the election of John Q. Adams, of Chicago, and Robert V. Fleming, of Washington, D. C., as Public Governors of the Exchange. Mr. Adams and Mr. Fleming were nominated by Mr. Schram. Their election to the Board of Governors as representatives of the public fills the vacancies which had existed in the Board since Sept. 30, 1941, when Curtis E. Calder and Roswell Magill resigned as Public Governors noted in these columns Oct. 16, page 625. Regarding the careers of the new Public Governors, the announcement of the Exchange said:

> Mr. Adams has long been prominent in agriculture and business in the Middle West He is a Director of the Continental Illinois National Bank & Trust Co., of Chicago. He was born Aug. 23, 1885, on a ranch 14 miles west of Wahpeton, Ill., and during his youth lived on and operated farms in North Dakota, Iowa and Florida, excepting the years when he attended Yale College. Together with his father he subsequently entered the banking business. He lives in Winnetka, Ill., a suburb of Chicago.
>
> Mr. Fleming is President and Chairman of the Board of the Riggs National Bank of Washington, D. C., with which institution he commenced his business career in 1907. He is a former President of the American Bankers Association. His directorates include the Metropolitan Life Insurance Co. of New York, Federal National Mortgage Association, Acacia Mutual Life Insurance Co., Chesapeake and Potomac Telephone Co., Capital Transit Co., Potomac Electric Power Co. and Lanston Monotype Co. Mr. Fleming is a Lieutenant Commander in the U. S. Naval Reserve. He was born in Washington, D. C., in 1890 and was educated at elementary and high schools and at George Washington University.

N. Y. State Transfer Laws Should Be Amended

(Contiued from First page)

fashion—that's all." But it isn't. On December 31, 1941, the Chicago Stock Exchange announced through its Chairman that it could "record a total share volume for 1941 exceeding that of 1940." And Boston showed a drop of only 2.8%. And Philadelphia a drop of only 2.2%. And all the regional stock exchanges added together, a drop of only 5.5%. Pity that total trading figures are not available for the Over-the-Counter business also, for they would probably have shown a similar contrast.

And in 1940 the eight most active exchanges outside of New York did 49.4% of their total volume in stocks listed on the New York Stock Exchange but in 1941 they raised the figure to 53.8%.

In point of fact they have been raising that figure almost steadily for the past ten years—ever since New York doubled its stock transfer tax.

And here is the pay-off. There is no State stock transfer tax in most of those States. In two of them—the Commonwealths of Pennsylvania and Massachusetts—there is one, 2 cents per $100 par value of the stock sold. Which, according to the Massachusetts Commissioner of Taxation in 1939, "is from 33% to 99% lower than that in New York."

Now switch to the Albany side of this picture. The present tax raised $38,000,000 in 1933, its first year. In 1939 the Governor estimated that it would raise $24,500,000 in the fiscal year 1939, and $28,500,000 in the fiscal year 1930. Actually it raised only $19,000,000 in each of these two years.

And in the fiscal year that ended last June 30—it raised only $12,000,000.

That's quite a drop.

And now comes prosperity (outside of Wall Street), bigger tax revenues, smaller "emergency" costs for the State—and a breathing spell in which revenue sources can be reconsidered and a longer viewpoint taken as to tax-rates.

Wall Street used to be on top of the wheel. In it centered the financial transactions of the United States; it had vast power and great resources; it could stand taxation no-end.

It is time that Albany brought itself up-to-date, for THAT Wall Street IS NO MORE.

The Street is no longer the nerve center of the American economy but, since the war began, the dust-bowl of American industry. Its foreign exchange business has been killed. Commercial banking has become largely a "captive industry"—and look at bank stocks. Price ceilings have put most of the commodity markets out of business. The future of investment banking, as one investment banker recently told your reporter, "is in the past." Numbers of Wall Street executives have gone to Washington, while multitudes of Wall Street's remaining employees are being drawn into war work. The remains of the Street's brokerage and Over-the-Counter stock-trading business must compete with regional interior competition which ten years ago the Street could have shrugged off as trifling.

Albany should get wise. The Street needs a subsidy, not a tax. The least Albany can do, is to enable the security-trading industry to compete for the remaining security business with the interior markets which Albany, by its rush to raise money, has already enabled to cut in more and more heavily on one of New York's once major industries, now more in need of an economic transfusion than able to provide tax-blood.

All New York State dealers and brokers and their employees should write their Senators and Assemblymen at Albany, requesting them to use their best efforts to insure the passage of the Coudert-Mitchell Bills calling for the amendment of the State transfer tax laws.

Success in having this legislation revamped would encourage those in other States to work for relief from onerous legislation, too, so the investment banking and brokerage business of the whole country would benefit by constructive action on this transfer tax issue here.

Curb Gratuity Fund Announces 1942 Officers

At a special meeting of the Trustees of the Gratuity Fund of the New York Curb Exchange the following were elected officers of the Fund for a one-year term:

Edwin I. Connor, Chairman.

E. R. McCormick, Secretary and Treasurer.

E. M. Williamson, Assistant Treasurer.

Traction Securities Announces Winners

CHICAGO, ILL.—Traction Securities, Inc., 105 South La Salle Street, announces that A. Gordon Crockett, Milton R. Underwood & Co., Houston, Texas, was the first prize winner, receiving $25 in defense stamps, in their recent contest for the best letter telling why Chicago Traction securities are good purchases. Second prize of $10 in defense stamps was awarded to Thomas J. Mitchell, Dempsey-Tegeler & Co., St. Louis, Mo., and third prize of $5 in defense stamps went to W. T. Combiths, Fuller, Cruttenden & Co., Chicago.

The text of the winning letter follows:

"In our discussion this morning of the transit business in general you and I agreed that the outstanding security in this field for your purposes is the Chicago City Railway 1st mtge. 5% bond. This was in light of your confessed willingness and ability to assume a reasonable 'businessman's risk' when the income and price appreciation possibilities merited it. In following your request for a written summary of the salient points of the situation I present the following:

"*Income* — These bonds have paid their interest in full since issuance in 1907. To be sure, there have been some delays in these payments, but these withholdings have in general been strategic moves on the part of the Court to bring pressure on the various factions to force settlement of differences. As a matter of fact, at the present time the semi-annual interest payment due Feb. 1, 1942, is still hanging fire. It will undoubtedly be paid sometime in the near future. since the funds are definitely available, and when these 2½ points are deducted from the current purchase price your yield will be in excess of 11%.

"*Taxes*—The bugaboo of all investors these days doesn't particularly effect this situation, since debt service is an expense that is deducted before 'taxable income' is arrived at.

"*Security* — The Federal Judge handling the reorganization recently appraised the whole Chicago transit system at approximately $179,000,000, or about 2½ times the amount of the par value of the proposed first mortgage debt to be outstanding after reorganization. Since you are paying less than 50c. on the $1 for your bonds it means that the coverage on your investment is about five times—a substantial margin, especially when you consider that the very nature of the business assures its continuity of operation.

"*Business* — Couple increased employment with a decrease in the use of private transportation facilities and the resulting picture cannot help but be favorable for traction companies. Add to this the very definite possibility that this system may be allowed a rate increase in the near future and the picture assumes an even more rosy glow.

"When you add to the above points the likelihood of the Reconstruction Finance Corporation granting the reorganized company a substantial loan, and that out of this loan you will get a 50% cash payment on your bonds (which is more than they will cost you) plus 50% in bonds junior only to this RFC loan (which will have substantial value themselves), I think you will be forced to agree with me that these bonds are one of the outstanding speculative opportunities of the day.

"With your permission I'm going to drop by tomorrow to discuss this matter further."

Toronto Exch. To Raise Commission Rates

Members of the Toronto Stock Exchange held a meeting on Feb. 13 to consider proposals for adjustments in commission rates to be charged by member firms. With regard to the meeting, the Toronto "Globe and Mail" of Feb. 14 said:

> It was decided that there would be a 5-cent increase in commissions on industrial securities selling in price brackets ranging from $10 to $75 and half a cent increase to 5 cents increase in schedules of mining and oil securities selling from $2 to $75. All other rates remain unchanged.
>
> Two years ago local rates were increased on mining stocks up to $2 a share and in industrials up to $10 and over $75 a share. Under the schedule now proposed, only stocks selling above $2 a share will be affected by current proposals.
>
> Under these proposals the rate on industrials selling at $10 to $15 a share will be 20 cents a share instead of 15 cents and former rates on higher-priced stocks will be given the same increase.
>
> Mining stocks selling at $2 and up to $3 will carry commission of 3½ cents a share instead of 3 cents and stocks selling at $3 to $15 a share will have increases varying from a cent to 5 cents.

Bond Club Of Denver Bowling League Returns

DENVER, COLO.—The Bowling League of the Bond Club of Denver announces the scores for the third week of the meets:

	Won	Lost	Pct.
Roystones	9	0	1.000
Municipals	6	3	.667
Odd-Lots	6	3	.667
Preferreds	5	4	.556
Corporates	3	6	.333
Over-the-Counters	3	6	.333
Investment Trusts	3	6	.333
Dividends	1	8	.111

The Roystones are captained by Leon Macart, Municipals by Norman Godbe of Geo. W. Vallery & Co., Odd-Lots, by Jerry Ryan, Peters, Writer & Christensen, Preferreds by Hal Myers, Corporates by Bernard Kennedy, Bosworth, Chanute, Loughridge & Co., Over-the-Counters by Lewis Nance, Brown, Schlessman, Owen & Co., Investment Trusts by Chan Lilly, and Dividends by Smith.

High Team Series and High Team Game are held by the Municipals; High Individual Series by Norman Godbe with a score of 539; High Individual Game by Chan Lilly with a score of 237.

Philip Townsend Partner In DeHaven & Townsend

Philip W. Townsend, member of the New York and Philadelphia Stock Exchanges, has been admitted to partnership in the Stock Exchange firm of DeHaven & Townsend. Mr. Townsend, who has been active as an individual floor broker, will make his headquarters at the firm's New York office, 30 Broad Street.

DeHaven & Townsend have been continuing their status as a member firm from Feb. 10, the date of death of the sole Exchange member partner, William B. DeHaven, in accordance with provisions of the Exchange Constitution.

Alvin Richards & E. Eby Join C. N. White & Co.

(Special to The Financial Chronicle)

OAKLAND, CALIF. — Alvin Carl Richards, formerly a partner in Richards & Co., and Elmo C. Eby, also previously associated with the same firm, have become connected with C. N. White & Co., Central Bank Building.

Defense Bonds Sales Up

Sales of Defense Bonds and Stamps by the New York State savings banks during January were over $76,000,000 and were 2½ times the sales during December, 1941, and 42% of the total sales since the Defense Savings Campaign started last May 1st. Total sales from May 1 through Jan. 31 were $179,264,643, according to a statement issued Feb. 13 by Henry Bruere, President of the Savings Banks Association of the State of New York and liaison officer between the savings banks and the Treasury Department. Mr. Bruere in his statement, said:

> "The heavy increase in Defense Bond sales is good news, for it shows that the American people have accepted responsibility for helping to finance our country's war program. Many of the purchases have been made out of existing savings balances but the tendency to do this is diminishing—through more and more emphasis on payroll savings plans, Victory Club Accounts, and other methods of attracting regular savings. I am confident that Defense Bond purchases will be made increasingly out of current earnings in salaries and wages. This will help the country most.
>
> "The savings banks of New York State voted this week to launch a State-wide advertising campaign in newspapers, on radio and by motion pictures to bring about a clear understanding why, now in war time, every possible dollar must be saved and used to help win the war. Our slogan will be 'Save for Victory.'"

It is stated that of the total sales of defense issues by the savings banks during January, $64,916,000, or about 85% were in Series "E" Bonds. Purchases of Defense Stamps amounted to $563,081. These figures, Mr. Bruere pointed out, probably do not include additional savings for Defense Bonds buying among the savings banks' employees in which over 4,000 savings banks' employees are now taking part. Soon from these savings additional buying of defense bonds by savings banks' employees will increase the already large total sales by savings banks of Defense Bonds.

FDR Signs China Aid Bill

President Roosevelt signed on Feb. 13 the joint resolution appropriating $500,000,000 for rendering financial aid to China. He conferred later the same day with Owen Lattimore of Johns Hopkins University, Baltimore, who is political adviser to Generalissimo Chiang Kai-Shek.

The House passed the bill appropriating the money on Feb. 9 and the Senate took similar action on Feb. 11.

Authorization of the appropriation was voted by Congress earlier as noted in our issue of Feb. 12, page 617.

On Feb. 15 Gen. Chiang thanked President Roosevelt and the American people for granting the loan, according to United Press Chungking advices of Feb. 15, which further said:

> "I feel most grateful," his reply said as released by the Foreign Office here, "for your having accepted my suggestion in toto with no condition attached to the loan.
>
> "In behalf of the Chinese Army and people, I wish to convey to you and. through you, to the Senate and House as well as to the American people, our deep gatitude for this timely assistance."
>
> He told the President that his "farsightedness is the envy of all real statesmen."
>
> He promised "a detailed report" on how the money would be used.

At his press conference on Feb. 6, President Roosevelt expressed himself as optimistic regarding the results of the credit, according to a Washington account to the New York "Times," which also stated:

> He told his press conference that, besides reassuring China from the psychological viewpoint, the credit would stabilize Chinese currency and thus make easier China's purchases of war materials.

Results Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on Feb. 16 that the tenders for $150,000,000 or thereabouts, of 91-day Treasury bills, to be dated Feb. 18 and to mature May 20, 1942, which were offered on Feb. 13, were opened at the Federal Reserve Banks on Feb. 16. The following details of this issue are revealed:

Total applied for---$342,087,000
Total accepted ---- 150,012,000

Range for accepted bids (excepting one tender of $65,000):

High—99.950. Equivalent rate approximately 0.198%.

Low—99.929. Equivalent rate approximately 0.281%.

Average Price—99.933. Equivalent rate approximately 0.263%.

There was a maturity of a similar issue of bills on Feb. 18 in amount of $200,167,000.

James Griggs, Jr. Now Is With Courts & Co.

(Special to The Financial Chronicle)

LaGRANGE, GA. — James R. Griggs, Jr., formerly proprietor of Griggs & Co., has become associated with Courts & Co., members of the New York Stock Exchange, whose main office is located at 11 Marietta Street, N. W., Atlanta, Ga.

George Barnett, Jr. With National City Bank of NY

George E. Barnett, Jr., formerly manager of the bond department of The Anglo California National Bank and more recently with Blyth & Co., Inc. in San Francisco and New York, has joined the Municipal Bond Department of The National City Bank of New York.

William G. Bond Joins Coffin & Burr, Inc.

Coffin & Burr, Incorporated, 70 Pine Street, New York City, announce that William G. Bond is now associated with them in their municipal bond department. Mr. Bond was for many years manager of the municipal bond department of A. C. Allyn & Co., Inc., in New York.

THEY CAN HANDLE THE TOUGH JOBS

★

The men and women in the Bell System are used to meeting emergencies and they are trained and equipped to carry on in times of special need. For years they have known the test of fire, flood and storm. That experience stands in good stead in this greatest emergency of our time. The Nation is counting on telephone workers to prove faithful to the task and they will not fail. Always before them is the tradition that the message must go through.

BELL TELEPHONE SYSTEM... Service to the Nation in Peace and War

Established 1856

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99 WALL STREET
NEW YORK CITY

SUGAR

Exports—Imports—Futures

DIgby 4-2727

Tomorrow's Markets Walter Whyte Says—

(Continued from Page 749)

simple. Unless you can sit and watch the tape all day you have to have some element of protection, so until something better comes along stops are still the only long distance protection I know of.

* * *

This brings me right into the two stocks you have, American Car & Foundry and American Steel Founders. The first one was recommended and available at 32. The second, American Steel Founders, was recommended and was also available at 20 or better.

* * *

Up to this writing both have acted all right. Neither was outstanding but in the face of general market weakness they held their own. But don't think because they are acting well that precautions should be disregarded. The good stocks of today are too frequently the bad ones of tomorrow. So the stops recommended still apply.

* * *

In the first, American Car & Foundry, the level under which it should not be held is 29. Right now the stock is selling at about 31.

* * *

In the second stock, American Steel Founders, the critical point is 19. It's now selling at 19 and a high fraction.

* * *

So far as other stocks are concerned I suggest no new purchases. Not that I don't think more and more stocks will go up if the market gets anywhere on the up side but because their stops are so confused that to work them out would be almost impossible.

As far as the war effort is concerned you know as much about it as I do, perhaps more. But I can't help but wonder at our Congressional windbags who seem to feel that no matter what, politics come before the country. Right now the popular Congressional pastime seems to be such games as "Chasing Eleanor," "States Rights" and "We Want Pensions." I'm in favor of the last. Let's give them all pensions and send them home. There should be one stipulation. The first time one of our "leaders" opens his mouth his pension stops.

* * *

And another thing I'm in favor of is the dropping of that song about the blue birds over the white cliffs of Dover. Apparently the British were so busy looking for those blue birds that they didn't see the German fleet.

* * *

But to get back to the market. I think a rally base is now being formed but the market must stay above Tuesday's low points if the bottom of the base is to mean anything. How far such a rally will get I can't answer but I think it can manage about three to five points before it fades out again.

* * *

More next Thursday.
—Walter Whyte.

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

Preferred Stock A Buy

William A. Titus, Jr., Vice-President of F. J. Young & Co., Inc., says that even in these days when many stocks are selling at an extremely low ratio to earnings American Car and Foundry Motors Company 7% Cumulative Preferred is unusually attractive. To bolster up his contention he offers the following information:

"This company is controlled by the Brill Corporation which, in turn is controlled by American Car and Foundry Company.

"The Hall-Scott Motor Car Company, a wholly owned subsidiary, is producing a large volume of marine engines for the United States and British Governments and also for private boat builders engaged in supplying boats to the United States and other governments.

"The preferred issue as of Jan. 2, 1942, was in arrears in dividends $108.50.

"Earnings per preferred share for the year ended Dec. 31, 1940, were $18.20, after all charges and taxes.

"At that time, there was owing to affiliated companies $6,100,063 and the company showed a capital deficit; and liabilities in excess of $130,600.

"However, the annual statement, which is expected to be released in April, should reflect fair sized increases both in volume and in earnings and a consequent balance sheet improvement.

"This preferred stock is presently quoted 21 bid; offered at 24."

In New Location

Isidor E. Civic announces the removal of his offices to 135 Broadway, New York City, and that his phone number is now COrtlandt 7-0927.

Movies Held Essential

Brig. Gen. Lewis B. Hershey, Director of Selective Service, has ruled that "the motion picture industry is an activity essential in certain instances to the national health, safety and interest and in other instances to war production." The war activities committee of the motion picture industry, in accordance with the ruling, has advised California draft headquarters to apply the ruling if deferment is sought by Hollywood studios for men "who cannot be replaced."

General Hershey made the ruling in response to a request from Lowell Mellett, coordinator of Government films and the liaison officer between the Federal Government and the motion picture industry, who had declared that the industry, as a civilian activity, "is essential to the national health, safety and interest" and as a war activity "is essential to the production of training and instructional films for the armed services as well as educational and informational films for the civilian population." The California draft boards were informed by General Hershey's office that "the responsibility of making and presenting claims for deferment is upon the motion picture industry and the determination of necessary men is one for the local boards and appeal agencies."

Pledges New Zealand Aid

President Roosevelt on Feb. 16 renewed the pledge to use "our full resources" in the defeat of the Axis aggressors and declared that "we shall not falter until the task is complete and our freedom made secure." The President made this statement in a formal exchange of remarks with Walter Nash, first New Zealand Minister to the United States, who presented his credentials.

The President's remarks follow, in part:

> Both the United States and New Zealand are Pacific powers, and the interests of our two countries are inextricably woven together. The spread of wanton Axis aggression has only drawn our countries closer together and made us more conscious of our interdependence.
>
> Our countries have pledged themselves, along with all other United Nations, to employ our full resources in the defeat of Axis aggressors. We shall not falter until the task is complete and our freedom made secure.

In his formal remarks Mr. Nash said:

> We are grateful to you and your people for the splendid assistance and cooperation which has been and is being given in the fight for the freedom of the democracies.
>
> The New Zealand Government also feels that the establishment of a legation in Washington will tend toward the strengthening of the good will which already exists between our two countries and no effort on my part will be spared in fostering this objective.

Woodley Gosling Joins Bendix, Luitweiler Co.

Woodley B. Gosling, member of the New York Stock Exchange, will become a partner in the stock exchange firm of Bendix, Luitweiler & Co., 52 Wall Street, New York City, on Feb. 20th. Mr. Gosling for many years has been active as an individual floor broker.

Sinclair With Stroud

Donald W. Sinclair has become associated with Stroud & Co., Inc., in their New York City office, 120 Broadway. Mr. Sinclair was formerly with Shields & Co.

UP-TOWN AFTER 3

MOVIE PRE-VUES

"They Were Dancing," an MGM picture, is partly based on the Noel Coward play, **"Tonight At 8:30,"** which first saw the light of day at New York's National Theatre back in 1936. In the stage version the cast included Noel Coward and Gertrude Lawrence. Came 1942 and MGM decided to make a movie out of it. But what may have been amusing in 1936 is no longer amusing today. For despite such names as Norma Shearer, Melvyn Douglas, Gail Patrick and a host of others, **"They Were Dancing"** is a weak comedy. It describes the activities of what may be called professional guests whose only stock in hand is that they possess titles and make charming dinner companions. Vicki Wilomirska (Norman Shearer), a Polish countess or baroness is about to be married to an up and coming American lawyer (Lee Bowman), but at a reception on the eve of her wedding she runs into Nicki Prax (Melvyn Douglas), an impoverished Austrian nobleman who crashed the party. Right away love rears its mystic head and despite the fact that neither has a dime, and they don't know each other, they run off to New York and get married. Of course the marriage kills Nicki's amateur standing with the ladies so the couple decide to keep their nuptials a secret. But a mix-up at a house party where the couple are guests messes things up and they are forced to admit that their behavior has been properly legalized. Ostracized in the East they play the midwest as professional houseguests. But life and gambling debts being what they are, the couple end in the divorce court. But that isn't the end, for you see, they actually love each other. In any case they get together again and repeat their elopement. The acting is first rate. Miss Shearer wears gowns that will make the ladies swoon with envy. She even speaks Polish (at least I think it's Polish). Melvyn Douglas is as sauve as always but unfortunately the story does neither justice.

"Valley of the Sun," the Clarence Budington Kelland Saturday Evening Post story was transposed to the screen by RKO. After seeing it I think it was a waste not only of good paper but sabotage of perfectly good film. **"Valley of the Sun"** is what show people call a horse opry and it lives up to all the traditions of what makes the wild west wild. It's all about a little country gal (Lucille Ball) who runs the local hash house in her spare time who is about to be married to Jim Sawyer (Dean Jagger), the Indian Commissioner, a deep dyed villain who is continually robbing the Indians. Into this scene of peace and contentment comes the knight on a white charger (James Craig). (Actually he comes in on some cactus needles and upsets the applecart). For Mr. Craig, be it known, is a friend of the Indians and is out to see that the dirty dog who is cheating them gets his'n. Of course young Craig is just a jump ahead of a military posse for he just escaped from durance vile. But that doesn't stop our hero, no sir! He just wades in, settles the Indians' problems, beats up the crooked husband-to-be, and marries the girl by himself. It is all quite touching and teaches a moral. Honesty always pays and Love Will Conquer All.

TABLES 'N' BARS

The **La Conga** (51st off B'way) opened its new show last Thursday in what is probably the best entertainment it has had since Georgie Price left for greener fields. It's particularly strong in comedy although it has its share of singing and dancing. In the top spot is Luba Malina who sings in Spanish, Russian, French and English. From the Broadway musical "High Kickers" **La Conga** has borrowed the impish Chaz Chase and his hilarious inanities. Doubling as m.c. and comedy dancer, is Ray English in his first appearance in a New York nite club. Finishing the show is the dance team of Nitza and Ravell. Accompanying are the Los Congettes, which is the name given to the line of girls. For dancing, Noro Morales provides the Latin rhythms while Jack Harris and his orchestra play the American tunes. Incidentally if you're weak on rhumbas and would like to know how to dance them La Conga has free lessons during Saturday matinees. . . . For dining (or lunching) with entertainment that is impromptu try one of the **Rockefeller Plaza** restaurants on either side of the Ice Rink. The spectacle of ice skaters going through their unrehearsed contortions is as good an appetizer as any I know. And if you're lucky you may even see such names as Betty Grable, John Payne or Gertrude Lawrence struggling by on skates. . . . If, however, you want to eat and don't want to be distracted by any entertainment, planned or not, I suggest **Theodore's** (4 E. 56th). The service is tops and the food, whether your check is $1,65, or higher, is excellent. . . . After theatre if you want entertainment, and you don't want to dance, try **Le Ruban Bleu** (same address as Theodor's). It's a small place but usually jammed. Entertainment usually consists of what is called "Continental Divertissments," which translated means, a singer of sophisticated songs, in this case Olga Coelho, Brazilian songstress and guitarist; Wally Boag who does things with balloons, Mabel Mercer who also sings and the ponderous Peter Sisters who sound like the Andrews Sisters.

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Calendar of New Security Flotations

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern Standard Time as per rule 930(b).

Offerings will rarely be made before the day following.

SUNDAY, MARCH 1

GROUP SECURITIES, INC.

Group Securities, Inc., has filed a registration statement with the SEC for 5,620,000 shares of capital stock, 1 cent par value

Address—1 Exchange Pl., Jersey City, N. J.

Business—Company is a mutual investment company

Underwriting and Offering—The shares registered will be sold to the public at asset value plus a distribution charge: Distributors Group, Inc., is the underwriter

Proceeds will be used for investment purposes

Registration Statement No. 2-4944. Form A-1 (2-10-42)

STATE STREET INVESTMENT CORP.

State Street Investment Corp. has filed a registration statement with the SEC for 53,095 shares of common stock, no par value, for an aggregate amount of $3,229,769.

Address—Boston, Mass.

Business—Company is an investment trust.

Underwriting and Offering—The shares will be offered at market. Discount to be allowed on single transactions involving $100,000 or more. Massachusetts Distributors, Inc., is the underwriter.

Proceeds will be used for investment purposes.

Registration Statement No. 2-4945. Form A1 (2-10-42)

TUESDAY, MARCH 3

LACLEDE GAS LIGHT CO.

The Laclede Gas Light Co. has filed a registration statement with the SEC for Certificates of Deposit for $10,000,000 of outstanding (with the public) Refunding & Extension Mortgage 5% bonds, dated Apr. 1, 1904.

Address—St. Louis, Mo.

Business—Engaged in the gas utility business within the city limits of St. Louis, Mo.

Offering—The Certificates of Deposit will be issued to holders of the above bonds in order to represent the deposit of said bonds under a Plan and Agreement dated Feb. 15, 1942, providing for the extension of the maturities of said bonds to Apr. 1, 1945. No underwriting involved.

Registration Statement No. 2-4946. Form A2 (2-12-42)

WEDNESDAY, MARCH 4

AXTON FISHER TOBACCO CO.

Axton Fisher Tobacco Co. filed a registration statement with the SEC for aggregate of 149,944 shares 5% cumulative prior preferred stock, $25 par.

Address—Louisville, Ky.

Business—Engaged in the manufacture of cigarettes (Clown, Spud, and Twenty Grand) and various brands of smoking and chewing tobaccos.

Offering—The 149,944 shares new preferred stock will be issued under a plan of recapitalization, as follows: (1) 56,544 shares in exchange for 14,136 shares outstanding 6% preferred stock on basis of 4 shares new preferred stock plus $17.25 cash for one share of old 6% preferred stock; (2) 54,558 shares in exchange for 45,465 shares outstanding Class A common stock on basis 1 1/5 shares new preferred stock plus $16 cash for one share Class A common stock; and (3) 38,852 shares will be sold first to stockholders of company other than Transamerica Corp., parent company, at $25 per share, with the unsubscribed portion to be sold to Transamerica Corp. at same price. The cash payments in (1) and (2) exchange offers represent unpaid cumulative dividends to Dec. 31, 1941; in connection with offering under (3) above, a cash offer is also to be made in an amount necessary to cover cash payments in the above exchange offers.

Registration Statement No. 2-4947. Form A2 (2-13-42—San Francisco)

TUESDAY, MARCH 10

LOUISVILLE TRANSMISSION CORP. (KY.)

Louisville Transmission Corp. (Ky.) has filed a registration statement with the SEC for $3,850,000 of First Mortgage Sinking Fund bonds, due Mar. 1, 1967. Interest rate will be supplied by amendment.

Address—311 W. Chestnut St. Louisville, Ky.

Business—Incorporated in Kentucky on Dec. 2, 1941, as a subsidiary of Louisville Gas & Electric Co. Company will construct and own a 154,000 volt double circuit transmission line from a point on the site of the Paddy's Run generating station of the parent company, near Loouisville, Ky., to a point known as Green River Crossing in Hart County, Ky. (approximately 67 miles) where it will connect with a transmission line which the Tennessee Valley Authority will construct to such point from its South Nashville substation near Nashville, Tenn. (about 105 miles). Company will also construct and own terminal facilities at the parent company's generating stations, together with transmission lines which, together with 10 miles of transmission lines to be constructed by company's wholly-owned subsidiary, Louisville Transmission Corp. (Indiana), will complete the tie-in with Louisville Gas & Electric's system and a transmission system of Public Service Co. of Indiana. Purpose of such construction is to make available to the TVA 1,400,000,000 kilowatt hours of electrical energy per annum from the interconnected system of Louisville Gas & Electric Co., the TVA and four non-affiliated electric companies.

Underwriting and Offering—The bonds will be sold under the competitive bidding rule of the Holding Company Act; public offering price, names of underwriters, will be supplied by amendment.

Proceeds will be used to pay for the cost of the above construction program.

Registration Statement No. 2-4948. Form A1 (2-17-42)

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

AMERICAN BAKERIES CO.

American Bakeries Co. registered **15,000** shares Class B no par common stock

Address—No. 520 Ten Pryor St. Bldg., Atlanta, Ga.

Business—Manufacturing **and distributing** bakery products **in souther states**

Underwriter—None named

Offering—Stock **will be offered to public** at price to be filed by amendment

Proceeds—All proceeds will be received by L. A. Cushman, Jr., chairman of board of company, **for whose account the stock will be sold**

Registration Statement No. 2-4714. Form A-2. (3-28-41)

Proposed offering as amended Dec. 10, 1941, 9,000 shares at $54.25 per share

Amendments filed Nov. 21, Dec. 8, and Dec. 26, 1941, to defer effective date

Amendments filed Nov. 21, Dec. 8, Dec. 26, 1941, Jan. 12, Jan. 29, Feb. 7 and Feb. 16, 1942 to defer effective date

ATLANTIC CITY ELECTRIC CO.

Atlantic City Electric Co. filed a registration statement with the SEC for 62,000 shares of Cumulative Preferred Stock, $100 par; dividend rate will be furnished by amendment

Address—Atlantic City, N. J.

Business—This subsidiary of American Gas & Electric Co. is engaged in the generation, transmission, distribution and sale of electric energy in the southern part of New Jersey, including Atlantic City, and is also engaged in furnishing hot water heating service in a limited area in Atlantic City and steam for heating to two customers at its Atlantic City plant. About 99% of gross revenues are derived from electric service

Underwriting and Offering—As soon as practicable after the registration statement becomes effective, company proposes publicly to invite proposals for purchase of 49,000 shares of the new preferred stock, under competitive bidding rule of Holding Company Act. Provision is made that the remaining 13,000 shares of new preferred stock registered will be offered under an Exchange Offer, as follows: holders of the 26,283 shares of $6 preferred stock held by the public will be entitled to receive one share of new preferred stock for each share of $6 preferred stock exchange, plus an amount in cash per share equal to the excess of the redemption price of $120 per share of the $6 preferred stock, plus accrued dividends to the date of redemption, over the initial public offering price of the new preferred stock. The exchange offer will expire not later than the fifth day after such offer is made. Should holders of the $6 preferred stock held by the public take more than 13,000 shares of new preferred stock under the Exchange Offer, then the number of shares of new preferred stock to be sold under competitive bidding will be reduced by such excess; and if less than 13,000 shares of new preferred are taken under the Exchange Offer, then the successful competitive bidders will have the option to purchase the additional shares represented by such deficiency at the same price per share as they have bid for the other shares

Public offering price, and the names of the underwriters, will be supplied by amendment

Proceeds from sale of the 62,000 shares new preferred stock, plus a capital contribution in cash of $2,500,000 to be made to company by American Gas & Electric Co., the parent company, will be used for following purposes: $3,059,200 to purchase from American Gas & Electric Co. 30,592 shares of $6 preferred stock (at its cost); $3,153,960 to be deposited with the redemption agent, for the redemption of 26,283 shares of $6 preferred stock (to be called for redemption at $120 per share), outstanding in the hands of the public; $2,500,000 to discharge open account indebtedness to American Gas & Electric Co.; and the balance for corporate purposes

Registration Statement No. 2-4941. Form A2 (2-2-42)

Registration Effective 12:30 p.m. E. War Time on Feb. 14, 1942.

Public Invitation for Proposals—Company is inviting sealed, written proposals for the purchase from it of 49,000 shares of its cumulative preferred stock, par $100, out of a total authorized issue of 62,000 shares, of which 26,283 shares (including 13,283 shares subject to proposals) are proposed to be offered by the company in exchange to the public holders of its outstanding $6 preferred stock. Such proposals are to be presented to the company, at the office of American Gas and Electric Service Corp., 30 Church St., New York, before 12 noon Eastern War Time on Feb. 24, 1942. Proposals will be considered only from persons who have received copies of the prospectus and only if made in accordance with and subject to such terms and conditions.

BEAR MINING AND MILLNG COMPANY

Bear Mining and Milling Co. registered 153,145 shares of common stock, $1 par

Address — 513 Majestic Bldg., Denver Colo.

Business—Mining and milling

Underwriter—None

Offering—Stock will be offered publicly at $1 per share, selling commission 35%

Proceeds — For development equipment and operation mining property near Breckenridge, Colo.

Registration Statement No. 2-4571. Form A-1. (11-12-40)

Amendments filed Dec. 3, Dec. 31, 1941 and Jan. 19, 1942 to defer effective date

CHAMPION PAPER & FIBRE CO.

Champion Paper & Fibre Co. registered with SEC $8,500,000 of first mortgage bonds, due Nov. 1, 1956 (interest rate to be filed by amendment); 40,000 shares $5 cumulative convertible preferred stock, no par; and an indeterminable number of shares of no par common stock, to be reserved for issuance upon conversion of the preferred stock

Address—Hamilton, O.

Business—Largest domestic manufacturer of the types of paper known in the trade as white papers and book papers, and is one of the largest domestic manufacturers of coated papers

Underwriters are W. E. Hutton & Co and Goldman, Sachs & Co., both of New York, N. Y.

Offering—The bonds and preferred stock will be offered to the public, at prices to be supplied by amendment

Proceeds will be used to redeem the outstanding aggregate of $8,660,000 of 4¾% sinking fund debentures ($4,125,000 principal amount due 1950, at 104½; $4,535,000 principal amount of the 1938 Issue at 102¼), requiring $8,947,663. Balance of net proceeds will be added to working capital

Registration Statement No. 2-4867. Form A2. (10-25-41)

Amendment Filed—Company has filed an amendment with the SEC to its registration statement disclosing that the bonds would bear interest at the rate of 3½% per annum. The public offering price of the bonds and the preferred stock will be supplied by later amendment

Also disclosed in the amendment is the names of the underwriters for the bonds and preferred stock, together with the amount of each issue underwritten by each, as follows (all of New York City, unless otherwise indicated):

	Prin. amt. of bonds	No. of shs. of pref. stk
W. E. Hutton & Co.	$1,700,000	8,000
Goldman, Sachs & Co.	1,700,000	8,000
R. S. Dickson & Co.	127,000	600
Drexel & Co., Phila.	425,000	2,000
Field, Richards & Co., Cincinnati	85,000	400
First Boston Corp.	425,000	2,000
Harriman Ripley Co.	425,000	2,000
Hemphill, Noyes Co.	255,000	1,200
Hornblower & Weeks	340,000	1,600
Johnson, Lane, Space & Co., Savannah	85,000	400
Kidder, Peabody Co.	765,000	3,600
Kuhn, Loeb & Co.	850,000	4,000
W. C. Langley & Co.	340,000	1,600
Lee Higginson Corp.	511,000	2,400
Piper, Jaffray & Hopwood, Minneapolis	127,000	600
White, Weld & Co.	340,000	1,600

Amendments filed Dec. 9, Dec. 27, 1941, Jan. 13 and Jan. 30, 1942, to defer effective date

Registration Statement withdrawn Feb. 13, 1942

COLUMBIA GAS & ELECTRIC CORP.

Columbia Gas & Electric Corp. **registered $28,000,000 serial debentures, due 1942 to 1951, and $92,000,000 sinking fund debentures due 1961**

Address—61 Broadway, N. Y. C.

Business—Public utility holding company

Offering—Both issues will be publicly offered at prices to filed by amendment

Proceeds—To redeem $50,000,000 Deb 5s 1952; $4,750,700 Deb. 5s, due April 15 1952; $50,000,000 Deb. 5s, 1961; to purchase $3,750,000 4% guaranteed serial notes due 1942-46 of Ohio Fuel Gas Co., a subsidiary, and $3,750,000 guaranteed serial notes of United Fuel Gas Co., a subsidiary, from the holders thereof: and to make a $3.402,090 capital contribution to Cinn., Newport & Covington Ry Co. to enable that Company to redeem its outstanding $3.303.000 1st & Ref. 6s. 1947

Registration Statement No. 2-4736. Form A-2. (4-10-41)

Amendments filed Nov. 18, Dec. 6, Dec. 24, 1941, Jan. 12 and Jan. 31, 1942, to defer effective date

ELMORE OIL CORP.

Elmore Oil Corp. registered with SEC 14,000 shares common stock, $5 par value of which 1,376 shares have been sold heretofore and rescission offer is made

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Address — Stevens-Harle Bldg., Durant Okla.

Business—Engaged in the oil business, buying, selling oil and/or gas leases; owns and operates certain oil and gas leases and equipment in Brown and Jack Counties, Tex.

Underwriters—None

Offering—The shares will be offered to the public direct by company, at $5 per share

Proceeds will be used for drilling of additional wells, the equipping of a certain lease, and for working capital

Registration Statement No. 2-4864. Form A-1. (10-21-41)

Hearing on suspension of registration statement postponed from Dec. 22 to Jan. 6, 1942

Registration Statement withdrawn Jan. 12, 1942 and stop order proceedings discontinued

Effective 4:45 p.m. EST on Jan. 6, 1942

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956; and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami, Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas), serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows: $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142.667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2. (9-17-41)

Amendments filed Nov. 27, Dec. 15, 1941, Jan. 2, Jan. 20, and Feb. 6, 1942 to defer effective date

GENERAL FINANCE CORP.

General Finance Corp. filed registration statement with SEC for 176,854 shares common stock, $1 par

Address—184 W. Lake St., Chicago, Ill.

Business—Company and subsidiaries engaged principally in discounting installment notes receivable secured by automobile conditional sales contracts and chattel mortgages, and advancing funds to automobile dealers on their short-term interest bearing notes secured by automobiles. Due to recent prohibition of sale of new automobiles and new tires,, company proposes to amend its charter so as to broaden the scope of its authority to do business

Underwriting—None

Offering—The 176,854 shares of common stock are reserved for issuance upon the exercise of certain outstanding Common Stock Purchase Warrants, latter entitling holders thereof to purchase 176,854 shares of common stock of company at price of $4 per share, during period from Mar. 4, 1942 through March 4, 1947. Such warrants as filed and 176,854 shares of 5% preferred stock were issued to preferred and common stockholders of Utility and Industrial Corp. pursuant to merger agreement. It is estimated that total number of warrants ultimately to be outstanding will represent the right to purchase approximately 140,710 shares.

Proceeds will be added to working capital

Registration Statement No. 2-4936. Form A2 (1-28-42)

HAMILTON WATCH CO.

Hamilton Watch Co. filed registration statement with SEC for 39,382 shares 4½% cumulative preferred stock, $100 par

Address—Lancaster, Pa.

Business — Company manufactures and sells various models of high grade (17 to 23 jewel) pocket and wrist watches for men and wrist watches for women

Underwriting and Offering—Company is making a conditional offer to holders of its 32,054 shares of outsanding 6% preferred stock of the privilege of exchanging such stock for 33,054 of the 39,382 shares of 4½% preferred stock on basis of one share of 4½% preferred stock, plus $1.50 (equal to current quarterly dividend payable March 1, 1942, on one share outstanding 6% preferred stock), plus an unstated amount (difference between the public offering price of one share 4½% preferred stock and $105, the redemption price of the 6% preferred), for each share of outstanding 6% preferred stock. Exchange offer expires Jan. 22, 1942. Any shares of 4½% preferred not issued under the exchange offer, plus the 6,328 shares not reserved for such exchange offer, will be offered to the public, at a price to be supplied by amendment. Harriman Ripley & Co., Inc., Philadelphia, is named principal underwriter; other underwriters will be supplied by amendment.

Proceeds will be used to redeem, on March 1, 1942, at $105 per share, all outstanding 6% preferred stock; balance for expenditures in connection with construction and equipment of plant additions

Registration Statement No. 2-4926. Form S2 (12-30-41)

Amendment filed Jan. 29 and Feb. 16, 1942 to defer effective date.

HASTINGS MANUFACTURING CO.

Hastings Manufacturing Co. registered with SEC 140,400 shares common stock, $2 par value

Address—Hastings, Mich.

Business—Manufactures and sells piston rings and expanders

Underwriters—Schroder, Rockefeller & Co., Inc., are principal underwriters. Other underwriters are Smith, Hague & Co. and Carlton M. Higbie Corp., Detroit, Mich.

Offering—23,100 shares are unissued and are to be offered to the public for the account of the company; remaining 117,300 shares are outstanding and are to be sold

Calendar of New Security Flotations

to public for account of certain selling stockholders

Proposed offering as amended: 23,100 shares by company, 105,756 shares by certain stockholders

Public offering price is $9.50 per share

Proceeds to company will be used for general corporate purposes, including purchase of new equipment and for working capital

Registration Statement No. 2-4890. Form A2. (11-19-41 Cleveland)

Amendments filed Jan. 8, Jan. 24 and Feb. 2, 1942 to defer effective date.

ILLINOIS COMMERCIAL TELEPHONE CO

Illinois Commercial Telephone Co. registered with SEC $5,750,000 of first mortgage 3⅜% bonds, due Oct. 1, 1971; and 24,000 shares of $5 cumulative preferred stock no par

Address—607 E. Adams St., Springfield, Ill.

Business—This subsidiary of General Telephone Co. is engaged in providing, without competition, telephone service to 180 communities and surrounding territories in Illinois, including Kewanee, Monmouth, Macomb, Lincoln, Belvidere, Harrisburg, Olney, Mendota and Mt. Carmel

Underwriters, and amount of bonds and preferred stock underwritten by each, follow:

	Amt. of Bonds	No. of Shs. of pfd. stk.
Bonbright & Co., Inc., New York	$2,875,000	12,000
Paine, Webber & Co., New York	2,156,000	9,000
Mitchum, Tully & Co., Los Angeles	719,000	3,000

Offering—Bonds and preferred stock to be offered to the public at a price to be supplied by amendment to the registration statement

Proceeds from sale of the bonds and preferred stock, together with $105,000 received from sale of 7,000 additional shares common stock, will be used in part to retire following securities of company: $5,750,000 First Mortgage Series A 3¾% bonds, due June 1, 1970, at 105½; 17,098 shares $6 preferred stock, at $110 per share; 1,108 shares $6 preferred stock, owned by parent company, at latter's cost. Balance of net proceeds will be used to purchase from General Telephone Corp the outstanding capital stocks of Central Illinois Telephone Co. and Illinois Standard Telephone Co., to make additions and betterments to company's plant and property, and for other corporate purposes

Registration Statement No. 2-4866. Form A2. (10-24-41)

Amendments filed Nov. 26, Dec. 15, 1941, Jan. 2, Jan. 21 and Feb. 7, 1942 to defer effective date

INTER-MOUNTAIN TELEPHONE CO.

Inter-Mountain Telephone Co. filed registration statement with SEC for 25,000 shares common stock, voting, $10 par value

Address—Sixth and Crumley Sts., Bristol, Tenn.

Business—Supplies telephone service in portions of Virginia and Tennessee

Underwriters—Alex. Brown & Sons, Baltimore; Mason-Hagan, Inc., Richmond, Va.; Stern, Wampler & Co., Inc., Chicago; Equitable Securities Corp., Nashville, Tenn.; Courts & Co., Atlanta, Ga.; R. S. Dickson & Co., Inc., Charlotte, N. C.; Minnich, Wright & Co., Inc., Bristol, Tenn.

Offering—The 25,000 shares of common stock will be offered to the public, at a price to be supplied by amendment to registration statement. The shares are to be offered for the account of the underwriters, who are to acquire such shares as follows: Southern Bell Telephone & Telegraph Co. and Chesapeake & Potomac Telephone Co. of Virginia, have agreed to sell to above underwriters, a total of 25,000 shares of 6% non-cumulative convertible preferred stock, $10 par, of company, at a price to be supplied by amendment (20,665 shares of such preferred to be sold by former, 4,335 shares by latter). Underwriters agree that immediately following delivery to them of such shares of preferred stock, each will convert same, share for share, into a total of 25,000 shares of common stock of company

Proceeds will be received by the underwriters

Registration Statement No. 2-4908. Form A2. (12-6-41)

Amendments to defer effective date filed Dec. 22, 1941, Jan. 9, Jan. 27 and Feb. 14, 1942.

LA CROSSE TELEPHONE CORP.

La Crosse Telephone Corp. registered 32,080 shares of common stock, $10 par

Address—La Crosse, Wisconsin

Business—Telephone service to La Crosse Wis.

Underwriter—Alex. Brown & Sons

Offering—All stock registered will be publicly offered at price to be filed by amendment, except that 2,406 shares will be sold to Central Electric & Telephone Co.

Proceeds—Stock registered is owned by parent company, Middle Western Telephone Co., which will donate a portion to La Crosse Telephone Corp. and latter will use proceeds to retire outstanding preferred stock

Registration Statement No. 2-4717. Form A-2. (3-29-41)

Amendments filed Nov. 19, Dec. 8, Dec. 26, 1941, Jan. 14 and Feb. 2, 1942, to defer effective date

Withdrawal request filed Feb. 16, 1942.

LERNER STORES CORP.

Lerner Stores Corp. has filed a registration statement with the SEC for $2,000,000 Ten Year Sinking Fund Debentures, due Jan. 1, 1952. Interest rate by amendment

Address—Baltimore, Md., and New York City

Business—This holding company operates, through its subsidiaries, a chain of 178 retail stores selling women's wearing apparel at moderate prices on a cash and carry basis

Underwriting — Merrill Lynch, Pierce, Fenner & Beane, of New York, are principal underwriters; others will be named by amendment

Offering—The Debentures will be offered to the public at a price to be supplied by amendment

Proceeds will be advanced to Associated Lerner Shops of America, Inc. (N. Y.), which will use the net proceeds so advanced as additional working capital or will advance all or a part thereof to other subsidiaries for use as additional working capital

Registration Statement No. 2-4939. Form A2 (1-31-42)

LIBERTY AIRCRAFT PRODUCTS CORP.

Liberty Aircraft Products Corp. filed registration statement with SEC for 60,000 shares Cumulative Convertible Preferred Stock, no par (dividend rate to be supplied by amendment), and 120,000 shares $1 par value common stock, latter to be reserved for issuance upon exercise of conversion rights of the preferred stock

Address—Farmingdale, N. Y.

Business—Engaged in manufacture and processing of parts and equipment for aircraft to customers' specifications, upon order. Owns about 50% of the outstanding common stock of The Autocar Co., which is engaged chiefly in the manufacture and sale of medium and heavy-duty motor trucks

Offering—The preferred stock will be offered to the public at a price to be supplied by amendment; the proposed maximum offering price, based on the SEC filing fee, is $25 per share

Underwriting—E. H. Rollins & Sons, Inc., New York, is named principal underwriter; names of the other underwriters will be supplied by amendment.

Proceeds will be used to the extent of $900,000 toward part payment of outstanding bank loans, and the balance will be added to working capital

Registration Statement No. 2-4934. Form A2 (1-28-42)

Amendment filed March 11, 1942, to defer effective date.

LIQUID CARBONIC CORP.

The Liquid Carbonic Corp. has filed a registration statement with the SEC for 30,000 shares of Cumulative Preferred Stock, Series A, $100 Par. The dividend rate will be supplied by amendment to the registration statement

Address—3100 S. Kedzie Ave., Chicago, Ill.

Business—Business now done by company and its subsidiaries consists of the manufacture and sale of consumable products (carbonic gas and dry ice; extracts used in preparation of beverages and food; oxygen, acetylene and medical gases; and durable products (soda fountain bars, luncheonette equipment, ice cream cabinets, bottling equipment)

Underwriting — Principal underwriters are: Laird, Bissell & Meeds; Spencer Trask & Co.; Merrill Lynch, Pierce, Fenner & Beane, all of New York. Names of the other underwriters will be supplied by amendment

Offering—The preferred stock will be offered to the public, at a price to be announced in a later amendment to the registration statement

Proceeds will be used to extent of $700,000 toward the partial prepayment of an outstanding bank loan; remainder of the net proceeds will be added to company's working capital

Registration Statement No. 2-4938. Form A2 (1-30-42)

Amendment filed Feb. 16, 1942, to defer effective date.

McDONNELL AIRCRAFT CORP.

McDonnell Aircraft Corp. registered with SEC 6,453⅛ shares 6% Non-Cumulative Convertible Preferred Stock, $100 par, and 129,063⅓ shares common stock, $1 par

Address — Lambert-St. Louis Municipal Airport, Robertson, Mo.

Business—Engaged in designing and deand selling parts for aircraft; expects presently to engage in business of manufacturing, testing and selling aircraft

Underwriting—None. Securities to be offered by company

Offering—Of the shares registered, the 6,453⅛ shares of preferred and 64,531⅔ shares of common, will be offered to public in units each unit consisting of one share of preferred and 10 shares of common stock, at price of $140 per unit. Remaining 64,531⅔ shares common reserved for issuance on conversion of the preferred

Proceeds for working capital, purchase of tools, machinery and equipment.

Registration Statement No. 2-4844. Form A-1. (9-17-41)

Effective—4:45 P.M., E.S.T., on Oct. 8, 1941 as of 4:45 P.M., E.S.T., Oct 6, 1941.

MERCHANTS & MANUFACTURERS SECURITIES CO.

Merchants & Manufacturers Securities Co. has filed a registration statement with the SEC for $1,081,000 of 10-year 4½% debentures, due Sept. 1, 1950

Address—231 South La Salle St., Chicago, Ill.

Business—Through its subsidiaries, is engaged in the small loans business

Underwriting and Offering—The debentures are outstanding in the hands of the public and have been registered with SEC under Securities Act of 1933 solely for the purpose of obtaining the assent of the holders of not less than a majority in principal amount thereof to modify certain provisions of the indenture under which the debentures have been issued. Smith, Burris & Co., Chicago, is to assist company in obtaining such assents. Major modification of indenture being sought is to permit release from covenants thereof of not to exceed 62,484 shares of common stock of Domestic Finance Corp. now owned by Merchants & Manufacturers Securities Co. It is present intention of company to dispose of such shares either in exchange for or to utilize the proceeds of the sale thereof for the purchase of shares of participating preferred stock of the company

Registration Statement No. 2-4912. Form A2. (12-12-41)

Amendments filed Dec. 27, 1941 and Jan. 13, 1942, to defer effective date

Registration Statement withdrawn Jan. 22, 1942

MILLER TOOL & MFG. CO.

Miller Tool & Manufacturing Co. has filed a registration statement with the SEC for 92,792 shares of common stock. $1 par value

Address—Detroit, Mich.

Business—Company is engaged in the manufacture and sale of service tools for use by the automotive industry

Underwriters—Baker, Simonds & Co., is named the principal underwriter

Offering—24,875 shares of common stock will be sold to the public for the account of the company; the remaining 67,917 shares registered are already issued and outstanding, and will be sold to the public for the account of certain selling stockholders. The public offering price is $4.20 per share

Proceeds will be used for the purchase of machinery and equipment and for working capital

Registration Statement No. 2-4920. Form S2. (12-26-41 Cleveland)

Amendments filed Jan. 10, Jan. 26 and Feb. 11, 1942 to defer effective date.

NORTHERN NATURAL GAS CO.

Northern Natural Gas Co. registered 710,500 shares of common stock, $20 par

Address — Aquila Court Bldg., Omaha Nebraska

Business—Production and transmission of natural gas

Underwriter—Blyth & Co., and others to be named by amendment

Offering—Stock will be publicly offered at price to be filed by amendment

Proceeds—All proceeds will be received by selling stockholders, United Light & Railways Co., and North American Light and Power Co.

Registration Statement No. 2-4741. Form A-2. (4-21-41)

Northern Natural Gas Co. filed an amendment to its registration statement of shares of its $20 par value common stock proposed to be offered to the public has been reduced from 710,500 shares to 355,250 shares. According to the amendment, such 355,250 shares are those that are presently owned, and outstanding by North American Light & Power Co. and are to be offered to public for the account of American Light & Power Co

The 355,250 additional shares orginally registered with the SEC on April 21, 1941 for public offering, and withdrawn from registration were subsequently registered and became effective. These shares constituted the stock outstanding and owned by United Light & Railways Co., a subsidiary of United Light & Power Co.

PENNSYLVANIA ELECTRIC CO.

Pennsylvania Electric Co. registered with SEC $32,500,000 first mortgage bonds, due Jan. 1, 1972, and 34,000 shares Series A cumulative preferred stock, $100 par. The interest rate on the bonds and the dividend rate on the preferred stock, will be supplied by amendment to the registration statement

Address—222 Levergood St., Johnstown, Pa.

Business—This company, controlled by Trustees of Associated Gas & Electric Corp., is engaged chiefly in the production, purchase, transmission, distribution and sale of electricity for lighting, heating, industrial and general utility purposes, serving a territory in Western Pennsylvania extending from the Md.-Pa. State line northerly to Lake Erie

Underwriting and Offering—The bonds and preferred stock will be sold by company under competitive bidding rule U-50 of SEC's Public Utility Holding Company Act. Names of underwriters and public offering prices will be supplied by amendment to registration statement. The Invitations to bid for the securities specify that the company is to receive not less than 103 for the bonds and not less than $100 per share for the preferred stock

Proceeds will be used to redeem all of the outstanding funded debt of the company and Erie Lighting Co. and for property additions

Registration Statement No. 2-4929. Form A2 (1-9-42)

PUBLIC SERVICE CO. OF INDIANA, INC.

Public Service Co. of Indiana, Inc., registered with SEC $42,000,000 first mortgage series D 3⅜% bonds, due Dec. 1, 1971

Address—110 N. Illinois St., Indianapolis, Ind.

Business—Incorporated in Indiana on Sept. 6, 1941, as result of consolidation of Public Service Co. of Indiana, Central Indiana Power Co., Northern Indiana Power Co., Terre Haute Electric Co. and Dresser Power Corp. Company is a public utility operating in State of Indiana and is engaged principally in production, generation, manufacture, purchase, transmission, supply distribution and sale of electric energy and gas, and in the supply, distribution and sale of water.

Underwriting and Offering—The bonds will be sold under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters, and public offering price, will be supplied by post-effective amendment to registration statement

Proceeds, plus other funds of company if necessary will be applied to redemption, within 40 days after issuance of the bonds, of the $38,000,000 of Public Service Co. of Indiana first mortgage series A 4% bonds, due Sept. 1, 1969, at 106½ and accrued interest; and $4,000,000 of the net proceeds will be deposited with the trustee under the series D indenture and will be used in accordance with the provisions of the indenture

Registration Statement No. 2-4893. Form A2. (11-22-41)

Effective—10 a.m. E.S.T. on Dec. 6, 1941

No bids for the purchase of the bonds were received on Dec. 16, 1941

RELIANCE ELECTRIC & MANUFACTURING CO.

Reliance Electric Manufacturing Co. filed registration statement with SEC for 7,500 shares of $5 Cumulative Convertible Preferred Stock, no par value; and 37,500 shares of common stock, $5 par value, the latter to be reserved for issuance upon exercise of the conversion privilege of the preferred stock.

Address—Cleveland, Ohio.

Business—Engaged in the manufacture and sale of electric motors, generators, motor-generator sets, mine motors, etc.

Underwriting and Offering—The preferred stock will be offered to the public; offering price and names of the underwriters will be supplied by later amendment.

Proceeds will be used to restore cash reserve of company, and for working capital.

Registration Statement No. 2-4933. Form A2 (1-24-42-Cleveland)

Amendment filed Feb. 5 naming Hayden, Miller & Co. as principal underwriter. Price $98 per share.

Registration Effective 4.45 p.m. E. S. War Time on Feb. 16, 1942.

SCHENLEY DISTILLERS CORP.

Schenley Distillers Corp. filed a registration statement with the SEC for $10,000,000 10-year sinking fund debentures due Jan. 1, 1952, and $17,500,000 15-year sinking fund debentures, due Jan. 1, 1957 Interest rates will be supplied by amendment to registration statement

Address—350 Fifth Ave., New York City

Business—Company and its subsidiaries are engaged generally in the distilling blending, rectifying, producing, warehousing, bottling, buying, selling, exporting and importing alcoholic products for beverage purposes, principal business being production and sale of rye, bourbon and blended whiskies in the United States

Underwriting—Mellon Securities Corp. Pittsburgh, is named principal underwriter; names of others will be supplied by amendment

Offering—The debentures will be offered to the public, at a price to be supplied by amendment

Proceeds from sale of the debentures together with the net proceeds of unstated amount of short-term bank loans to be procured by company prior to or concurrently with the issue of the debentures, will be applied to payment of all the present bank loans of company Amount of such bank loans outstanding on Aug. 31, 1941, was $24,000,000

Registration Statement No. 2-4925. Form A2. (12-30-41)

The Schenley Distillers Corp. on Feb. 13 filed an amendment, disclosing that it now proposes to issue only $15,000,000 of debentures instead of an aggregate of $27,500,000 contemplated in the original registration statement filed on Dec. 30.

According to the amendment, the company will offer $15,000,000 of 10-year 3¾% sinking fund debentures due on Feb. 1, 1952, in lieu of the $10,000,000 of 10-year 3¼% sinking fund debentures due on Jan. 1, 1952, and $17,500,000 of 15-year 4% sinking fund debentures due on Jan. 1, 1957. The debentures will be offered at a price to be supplied by later amendment. The underwriting commission will be 1¾%.

The names of the underwriters of the debentures, and the amounts to be purchased by each, are as follows:

Underwriter	Amount
Mellon Securities Corp.	$2,000,000
Alex. Brown & Sons	200,000
A. C. Allyn & Co., Inc.	225,000
Blair & Co., Inc.	250,000
Blyth & Co., Inc.	325,000
Bonbright & Co.	400,000
Central Republic Co.	225,000
Dillon, Read & Co.	1,100,000
Emanuel & Co.	200,000
Estabrook & Co.	225,000
First Boston Corp.	825,000
Hallgarten & Co.	225,000
Harris, Hall & Co., Inc.	400,000
Hayden, Miller & Co.	150,000
Hemphill, Noyes & Co.	350,000
J. J. B. Hilliard & Son	125,000
W. E. Hutton & Co.	300,000
Jackson & Curtis	225,000
Kidder, Peabody & Co.	400,000
Kuhn, Loeb & Co.	1,100,000
Lazard, Freres & Co.	400,000
Lee Higginson Corp.	350,000
Carl M. Loeb, Rhoades & Co.	250,000
Laurence M. Marks & Co.	125,000
Merrill Lynch, Pierce, Fenner & Beane	250,000
Moore, Leonard & Lynch	125,000
F. S. Moseley & Co.	250,000
Paine, Webber & Co.	250,000
Parrish & Co.	125,000
Riter & Co.	225,000
Schwabacher & Co.	200,000
Shields & Co.	400,000
Singer, Deane & Scribner	125,000
Stein Brothers & Boyce	225,000
Stone & Webster and Blodget, Inc.	400,000
Stroud & Co., Inc.	150,000
Tucker, Anthony & Co.	400,000
Union Securities Corp.	400,000
Wertheim & Co.	350,000
Whiting, Weeks & Stubbs, Inc.	250,000

SOUTH CAROLINA INSURANCE CO.

South Carolina Insurance Co. registered with SEC 12,500 shares common stock, $8 par value

Address—1400 Main St., Columbia, S. C.

Business—Engaged principally in the writing of fire insurance

Underwriting and Offering—The shares will first be offered for subscription to present stockholders, under their preemptive rights, at price of $16 per share. Unsubscribed portion of such shares will be offered to public at $18 per share, within 30 days after effective date of registration statement. Underwriters will be named by amendment; underwriting commission will be $2 per share

Proceeds will go directly to capital ($100,000) and the residue to surplus. Company deems it essential to comply with laws of New York State. soon to become effective requiring a minimum capital of $250,000 and with the laws of Massachusetts requiring a minimum capital of $300,000

Registration Statement No. 2-4898. Form A2. (11-27-41)

Amendments filed Dec. 16, 1941, Jan. 3, Jan. 22 and Feb. 10, 1942 to defer effective date.

R. L. SWAIN TOBACCO CO., INC.

R. L. Swain Tobacco Co., Inc., filed a registration statement with the SEC for 5,000 shares Class A common stock, $1 par value, and 60,000 shares Class B common stock, $1 par value

Address—Danville, Va.

Business—Company markets Panax Processed Pinehurst cigarettes, manufactured for company under its Panax Process by Axton-Fisher Tobacco Co., Inc. The Panax Process acts as a hygroscopic or moisture retaining agent. Panax is a demulcent—soothes the membranes of the throat, and is tasteless and oderless

Underwriting and Offering—The shares will be offered to the public at a price of $5 each for each class of stock, by John W. Yeaman, Martinsville, Va.

Proceeds will be used for plant additions, for purchase of additional equipment, and for working capital

Registration Statement No. 2-4928. Form A1 (1-9-42)

TEXAMERICA OIL CORP.

Texamerica Oil Corp. registered with SEC 119,891 shares common stock, $2 par.

Address — Milam Bldg., San Antonio, Tex.

Business—Engaged in production and marketing of crude oil, acquire mineral leasehold interests in producing or proven oil properties in Texas, drilling of oil wells thereon, acquire royalty interests in proven and developed oil properties.

Underwriter—Willard York Co., San Antonio, Tex., has agreed to purchase 44,750 shares at $1.75 per share and 74,157 shares at $2, from company.

Offering—118,907 shares to be offered to public at $2.375 per share; remaining 984 shares registered constitute shares issued July 1, 1941, by company, as dividends.

Proceeds—Will be used to pay outstanding mortgage indebtedness ($200,000), and remaining $26,626 will be added to working capital

Registration Statement No. 2-4824 Form A-1. (8-27-41)

Amendment filed Feb. 11 to defer effective date.

TREASURE MOUNTAIN GOLD MINING CO.

Treasure Mountain Gold Mining Co. filed a registration statement with the SEC for 150,000 shares common stock, 25 cents par value

Address—Denver, Colo.

Business—Company has been organized to develop and operate gold and silver mines on Treasure Mountain, in San Juan County, Colo.

Underwriting—None

Offering—Company will sell such shares directly to the public, at a price of 50 cents a share

Proceeds will be used for working capital

Registration Statement No. 2-4937. Form S3 (1-29-42)

Amendment filed Feb. 11 to defer effective date

TUNG GROVE DEVELOPMENT CO., INC.

Tung Grove Development Co., Inc., filed registration statement with the SEC for Contracts for sale of land and development of tung groves thereon, aggregating $450,000

Address—Ocala, Fla.

Business—Engaged in the planting, cultivation and care of tung groves on lands of others under contract or upon orders from such owners, in Marion and Citrus Counties, Fla. Business is now being expanded to include the purchase, sub-division and sale of lands in these counties for development in tung groves

Underwriting—Details of underwriting or distributing method to be employed, will be supplied by amendment

Offering—Company will offer, through the Contracts, land suitable for tung grove development, together with its contract for the clearing, planting and development of a tung grove thereon, in units of not less than 10 acres at a total price of $45 per acre, payable one-fourth down and the balance in 3 equal annual payments

Proceeds for working capital, as payment for land sold and for development work and materials

Registration Statement No. 2-4935. Form S2 (1-28-42)

Registration Effective but apparently deficient at 4.45 p.m. E. S. War Time on Feb. 16, 1942.

UNION ELECTRIC CO. OF MISSOURI

Union Electric Co. of Missouri filed a registration statement with the SEC for 2,695,000 shares common stock, no par

Address—315 N. Twelfth Blvd., St. Louis, Mo.

Business—This subsidiary of The North American Co. is engaged primarily in the transmission, distribution and sale of electric energy, which it generates and purchases from its subsidiaries, serving the city of St. Louis, Mo., and portion of 5 adjacent Missouri counties and of 3 counties in Missouri adjacent to the company's Osage hydroelectric plant

Underwriting—Dillon, Reed & Co., New York, is named the principal underwriter. Names of the other underwriters will be supplied by amendment

Offering—The 2,695,000 shares of company's common stock are outstanding and are owned by its parent, The North American Co., who will receive the entire proceeds from the sale to the public of such shares

Registration Statement No. 2-4940. Form A2 (2-2-42)

Union Electric Co. of Missouri, on Feb. 9, 1942 filed an amendment to its registration statement, naming the underwriters, 141 in all, who will publicly offer the 2,695,000 shares (no par) common stock, all of which are owned by its parent company, The North American Co. Such underwriters, and the maximum number of shares of such common stock which each has agreed to purchase, are as follows:

	Shares
Dillon, Read & Co.	123,360
A. C. Allyn & Co., Inc.	24,255
Almstedt Brothers	2,695
Auchincloss, Parker & Redpath	5,390
Bacon, Whipple & Co.	5,390
Baker, Watts & Co.	5,390
Baker, Weeks & Harden	5,390
Ball, Coons & Co.	2,695
Bankamerica Co.	5,390
Bankers Bond & Securities Co.	2,695
Battles & Co., Inc.	2,695
Bear, Stearns & Co.	5,390
A. G. Becker & Co., Inc.	10,780
Blair, Bonner & Co.	2,695
Blair & Co., Inc.	13,475
Blyth & Co., Inc.	102,410
Bodell & Co., Inc.	8,085
Bond & Goodwin, Inc.	2,695
Y. E. Booker & Co.	2,695
Bosworth, Chanute, Loughridge & Co.	2,695
Alex. Brown & Sons	10,780
Burr & Co., Inc.	2,695
H. M. Byllesby & Co., Inc.	2,695
Frank B. Cahn & Co.	2,695
Central Republic Co.	24,255
Childress & Co.	2,695
Clark, Dodge & Co.	18,865
E. W. Clark & Co.	5,390
Coffin & Burr, Inc.	43,120
Cooley & Co.	2,695
Crago, Smith & Canavan	5,390
Curtiss, House & Co.	2,695
J. M. Dain & Co.	2,695
R. S. Dickson & Co., Inc.	5,390
Dominick & Dominick	53,900
Drexel & Co.	21,560
Eastman, Dillon & Co.	13,475
Eckhardt-Peterson & Co., Inc.	2,695
A. G. Edwards & Sons	8,085
Equitable Securities Corp.	5,390
Estabrook & Co.	13,475
Ferris Exnicios & Co., Inc.	2,695
First Boston Corp.	107,800
First of Michigan Corp.	8,085
Folger, Nolan & Co., Inc.	8,085
Francis, Bro. & Co.	18,865
Gatch Bros., Jordan & McKinney, Inc.	13,475
Glenny, Roth & Doolittle	2,695
Glore, Forgan & Co.	53,900
Goldman, Sachs & Co.	53,900
Graham, Parsons & Co.	13,475
Granbery, Marache & Lord	2,695
Green, Ellis & Anderson	5,390
Hallgarten & Co.	5,390
Harriman Ripley & Co., Inc.	83,545
Harris, Hall & Co., Inc.	24,255
Hawley, Shepard & Co.	2,695
Hayden, Miller & Co.	5,390
Hayden, Stone & Co.	8,085
Hemphill, Noyes & Co.	18,865
Hill Brothers	10,780
J. J. B. Hilliard & Son	2,695
Hirsch, Lilienthal & Co.	5,390
Hornblower & Weeks	10,780
E. F. Hutton & Co.	8,085
W. E. Hutton & Co.	10,780
Illinois Co. of Chicago	5,390
Jackson & Curtis	10,780
Johnston, Lemon & Co.	8,085
Edward D. Jones & Co.	8,085
Kidder, Peabody & Co.	43,120
Kuhn, Loeb & Co.	102,410
Ladenburg, Thalmann & Co.	43,120
W. W. Lanahan & Co.	2,695
W. C. Langley & Co.	43,120
Lazard Freres & Co.	24,255
Lee Higginson Corp.	24,255
Carl M. Loeb, Rhoades & Co.	2,695
Loewi & Co.	2,695
Mackubin, Legg & Co.	2,695
Laurence M. Marks & Co.	13,475
Mason-Hagan, Inc.	2,695
McCourtney-Breckenridge & Co.	2,695
McDonald-Coolidge & Co.	5,390
Mellon Securities Corp.	83,545
Merrill Lynch, Pierce, Fenner & Beane	16,170
Merrill, Turben & Co.	2,695
Metropolitan St. Louis Co.	16,170
Milwaukee Co.	5,390
Mitchum, Tully & Co.	10,780
Moore, Leonard & Lynch	5,390
Morgan Stanley & Co.	107,800
F. S. Moseley & Co.	24,255
Maynard H. Murch & Co.	2,695
G. M.-P. Murphy & Co.	10,780
Newhard, Cook & Co.	24,255
Newton, Abbe & Co.	5,390
The Ohio Co.	2,695
Otis & Co.	8,085
Pacific Co. of California	2,695
Page, Hubbard & Asche	2,695
Paine, Webber & Co.	10,780
Piper, Jaffray & Hopwood	5,390
Putnam & Co.	8,085
Rauscher, Pierce & Co., Inc.	5,390
Reinholdt & Gardner	10,780
Reynolds & Co.	5,390
Riter & Co.	24,255
Robinson, Rohrbaugh & Lukens	2,695
E. H. Rollins & Sons, Inc.	43,120
L. F. Rothschild & Co.	10,780
Schoellkopf, Hutton & Pomeroy, Inc.	8,085
Schwabacher & Co.	8,085
Chas. W. Scranton & Co.	8,085
Shields & Co.	83,545
I. M. Simon & Co.	13,475
Singer, Deane & Scribner	5,390
Smith, Barney & Co.	83,545
Smith, Moore & Co.	13,475
William R. Staats Co.	8,085
Starkweather & Co.	2,695
Stein Bros. & Boyce	5,390
Stern Brothers & Co.	10,780
Stern, Wampler & Co., Inc.	8,085
Stifel, Nicolaus & Co., Inc.	24,255
Stix & Co.	18,865
Stone & Webster and Blodget, Inc.	83,545
Stroud & Co., Inc.	5,390
Lowry Sweeney, Inc.	2,695
Spencer, Trask & Co.	83,545
Tucker, Anthony & Co.	24,255
Union Securities Corp.	102,410
G. H. Walker & Co.	83,545
Wells-Dickey & Co.	5,390
Whitaker & Co.	16,170
White, Weld & Co.	16,170
Whiting, Weeks & Stubbs, Inc.	8,085
O. H. Wibbing & Co.	2,695
The Wisconsin Co.	24,255
Dean Witter & Co.	43,120
Harold E. Wood & Co.	5,390

UNION LIGHT, HEAT AND POWER COMPANY

Union Light, Heat and Power Co. registered 25,000 shares $100 par common stock

Address—4th & Main St., Cincinnati Ohio

Business — Operating electric utility company

Underwriter — Columbia Gas & Electric Corp.

Offering—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at $5.32 for each unit. On a share basis, stockholders may subscribe to 5 new shares for each share held at $100.016 per share. Substantially all outstanding stock is held by Columbia Gas & Electric Corp.

Proceeds—To repay current debt and $2,835,000 first mortgage bonds held by parent and associated companies, and for construction costs

Registration Statement No. 2-4379. Form A-2. (3-30-40)

Amendments filed Nov. 25, Dec. 13, Dec. 31, 1941, Jan. 19 and Feb. 7, 1942 to defer effective date

WEST INDIES SUGAR CORP.

West Indies Sugar Corp. filed a registration statement with the SEC for 453,691 shares of common stock, $1 par

Address—60 E. 42nd St., New York City

Business—Company, organized in 1932 pursuant to the plan of reorganization of Cuban Dominican Sugar Corp. and certain of its subsidiaries, is solely a holding company owning the securities of everal operating subsidiaries engaged principally in the production of raw cane sugar and invert and blackstrap molasses in the Dominican Republic and Cuba

Underwriters will be named by amendment

Offering—The shares registered are already outstanding, and are owned by City Company of New York, Inc., In Dissolution, to the extent of 436,691 shares; National City Bank of New York, parent of the former company, is the holder of the remaining 17,000 shares registered. The aggregate of the shares registered represents 47.7% of the outstanding common stock of the company, and will be offered to the public, at a price to be supplied by amendment

Proceeds will be received by the selling stockholders

Registration Statement No. 2-4923. Form A2. (12-29-41)

THE HOME INSURANCE COMPANY
NEW YORK

STATEMENT • DECEMBER 31, 1941

Admitted Assets

Cash in Banks and Trust Companies	$ 24,287,805.05
Bonds and Stocks	85,493,204.48
First Mortgage Loans	365,492.00
Real Estate	3,841,678.13
Premiums uncollected, less than 90 days due	8,257,964.53
Reinsurance Recoverable on Paid Losses	1,512,109.67
Other Admitted Assets	218,518.25
	$123,976,772.11

Liabilities

Capital Stock	$ 15,000,000.00
Reserve for Unearned Premiums	59,351,273.00
Reserve for Losses	9,658,743.00
Reserve for Taxes	2,350,000.00
Reserve for Miscellaneous Accounts	667,419.82
Funds Held under Reinsurance Treaties	127,883.25
Reserve to Adjust Security Valuations	531,600.00*
NET SURPLUS	36,289,853.04
	$123,976,772.11

*Represents the difference between total values carried in Assets for all Bonds and Stocks owned on basis prescribed by National Association of Insurance Commissioners and total values based on December 31, 1941 actual market quotations.

Securities carried at $3,126,823.00 and cash $50,000.00 in the above Statement are deposited as required by law.

Directors

LEWIS L. CLARKE
WILFRED KURTH
HERBERT P. HOWELL
GEORGE McANENY
WILLIAM S. GRAY
EDWIN A. BAYLES
GUY CARY
CHARLES G. MEYER
GORDON S. RENTSCHLER
MORTIMER N. BUCKNER
HAROLD V. SMITH
WILLIAM L. DE BOST
ROBERT GOELET
FRANK E. PARKHURST
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RED CROSS WAR FUND—*If you can't go . . . Give!*

STANY Is Revenged On Phila. Bowlers

The Security Traders Association of New York have wiped out their defeat of last year at the hands of the Investment Traders Association of Philadelphia, by downing the Philadelphians with a total of 218 pins.

Three five-men teams represented each association at the contest which was held at the Bowlmor Bowling Alleys. The STANY team was captained by W. G. Conary of B. W. Pizzini & Co.; the Investment Traders of Philadelphia were captained by Al Tryder of H. T. Greenwood & Co.

High average for the night was won by Arthur Burian of Bonner & Gregory, New York City, with an average of 193, for which he received a prize of ten dollars in defense stamps. High single string was held by Bill Kumm of Dunne & Co., New York City, with 226, for which he was awarded a five dollar book of defense stamps.

After the game, a party was held at Jack Delaney's in Greenwich Village.

Content, Hano & Co. Add Keif & Swords

Content, Hano & Co., members of the New York Stock Exchange with offices at 39 Broadway, New York, Calvert Building, Baltimore, Md., and 1505 Walnut St., Philadelphia, Pa., announce that they have expanded their trading department in both New York and Philadelphia.

Clifford Keif, formerly in charge of the trading department of Allen N. Young & Co. and Independence Shares Corp., has become associated with the firm in Philadelphia. William Swords, who has been in Wall Street for 20 years, recently with W. S. Sagar & Co. and prior thereto with Pflugfelder, Bampton & Rust, will be identified with the New York Trading Desk. These two desks will be connected with a direct telephone connection for the rendition of fast and accurate service.

New Jersey Bond Club To Hold Annual Dinner

The annual banquet of The Bond Club of New Jersey will be held on Wednesday, Feb. 25, according to announcement by Lee W. Carroll, President. A formal dinner will be held at the Robert Treat Hotel in Newark, at which Roy W. Moore, President of Canada Dry Ginger Ale, Inc., will be guest of honor and speaker.

Ludlow Van Deventer, Secretary of the Club, is handling reservations for the dinner.

Lawrence Connell Now With Strauss Bros.

Lawrence J. Connell, formerly of Fitzgerald & Co., and prior thereto manager of the trading department of Hartley Rogers & Co., has become associated with Strauss Bros., 32 Broadway, New York City.

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Wade & Gally Join Fairman Co. Staff

(Special to The Financial Chronicle)

LOS ANGELES, CAL.—Robert C. Wade and John V. Gally, both previously with Fox, Castera and Co., have become associated with Fairman & Co., 650 South Spring Street. Mr. Wade in the past was President of C. H. Hatch & Co. and R. C. Wade & Co., Inc. and prior thereto was an officer of Smith, Camp & Riley, Ltd. Mr. Gally was previously with Bankamerica Co. and was manager of the statistical and research department of Gersten & Co.

Williams Promoted

(Special to The Financial Chronicle)

CLEVELAND, OHIO—Ralph L. Williams, who has been associated with Ball, Coons & Co., Union Commerce Building, for some time, has been elected Secretary and Treasurer of the firm.

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Interested In Sugar?

An analysis of the Amalgamated Sugar Company prepared by Edward L. Burton & Company, 160 South Main Street, Salt Lake City, Utah, has just come off the press. Burton Company will send copies of this analysis or an analysis of the Utah-Idaho Sugar Company upon request.

Our Reporter On "Governments"

Apparently, from now on, Secretary Morgenthau is going to try to hold down the premiums on new issues to the one-point level . . . No longer is he going to give away 2 and 2½ points to free riders. . . . No longer does he want any free riders, as a matter of fact. . . . This latest issue of 2¼s of 1955/52 tells us a yardstick for premiums is being worked out. . . . And unless we miss our guess, the yardstick is ⅞ to a point—with only the real buyers getting a chance even at that. . . .

The new 2¼s went over, of course. . . . The issue had to be a success. . . . At this writing, no Federal Reserve Bank buying has come into the market to make sure the price level holds, but it may be taken for granted that support will be tendered if the market becomes sloppy. . . . So, regardless of investor reaction, the new issue is certain of quick distribution. . . .

It's surprising that Morgenthau didn't sell a note issue, especially since the commercial bankers had indicated so clearly their eagerness for these. . . . But, again the interpretation is he is trying to establish a policy. . . . He wants to "save" the note list for a more crucial period, to have it there for use when an emergency arises and he needs cash badly at a poor marketing time. . . . Then the 3 and 5-year note issues may come back into prominence. . . .

It's also surprising that Morgenthau chose the 10-13 year maturity range. . . . He might have pushed out the call date another year or two. . . . But he wasn't taking any chances with eliminating commercial bank buying to too great an extent. . . . And the banks will buy 10-13 year bonds. . . . So will the insurance companies and other institutions. . . . So while the maturity was shorter than had been anticipated, the objective was attained with ease anyway. . . .

Not A Call Bond

For years, we've been thinking of bonds with call dates and maturity dates as due on the call date. . . . It has been taken for granted that issues would be refunded at the earliest possible time. . . . Prices have been based on this theory. . . . It has worked out in the market and in practice. . . .

This new 2¼% issue, though, is likely to remain outstanding until the last moment. . . The odds are that when 1952 rolls around, a 2¼% coupon on an issue will look mighty attractive to any Treasury Chief operating then. . . . So don't think of the call date on these at all. . . . Consider them as 1955 bonds—and place them in your portfolio as that. . . .

Incidentally, at around 1952-1955, the Treasury will be struggling with some huge maturities. . . . Indicating again that call is improbable. . . . Defense bonds will be maturing at a terrific rate. . . . The bonds sold in the '30s will be coming due. . . .

Next Borrowing

The Treasury's working balance, now at around $2,177,000,000 will be lifted to a new high when the latest issue of 2¼s is paid for. . . . This backlog, along with payments received on March 15 and with receipts from defense bond sales should put Morgenthau into a comfortable cash position even despite the war expenditures. . . .

So don't look for another cash borrowing for at least two months. . . . April, at the earliest. . . . Maybe, postponement until May. . . . And there's always the bill market in case some ready money is wanted and the Treasury doesn't want to go through the rigmarole of an open market borrowing. . . .

As for the refunding calendar, that's clear too. . . . Clear until mid-summer for the Treasury itself, for the next note issue due is the $342,000,000 2s of Sept. 15, 1942. . . . And clear until June for the agencies, for the maturities here are the $875,000,000 of HOLC 2¼s of July 1, 1944/42 and the $276,000,000 RFC 1s of July 1, 1942. . . .

Another reason why Morgenthau may have omitted the note issue this time is the crowded calendar in the next few years. . . . Unless 3¼% becomes a mighty attractive coupon in 1943 and 1944—and if that happens, all the recent issues will be below par—the Treasury will be refunding in 1943, the $1,401,000,000 of 3¼s of 10/15/45/43 and the $454,000,000 of 3⅜s of 6/15/47/43. . . . There are lots of bonds and notes due in 1944 too. . . .

Free Riding

Free riding is out. . . . Not even the smartest professional trader sees a way around the rules on dealers and brokers as they stand today. . . . As for individuals, the requirement that preferential allotment will be given only to those who'll take registered bonds 90 days from the date of sale and the rule holding down subscriptions to 50% of the individual's net worth take care of individual free riding in high style. . . .

For years, free riding has been a wonderful operation for all familiar with the Government market. . . . It has been the quickest, surest way to make money. . . . It has given all of us a knowledge of and fondness for the Government market that surely would not have existed had it not been for this type of speculative activity. . . .

But this is war. . . . Morgenthau is frightened cold over what may happen to the structure if a selling wave starts at a bad time. . . . He doesn't want free riding, despite the appearance of success it gives to all new issues. . . . And his new rules seem fool-proof. . . .

As they stand now, banks and trust companies can subscribe only to 50% of their capital and surplus. . . . Mutual savings banks, cooperative banks, Federal savings and loan associations, trust accounts, investment corporations, pension funds, insurance companies and similar institutions can subscribe only to 10% of their total resources. . . . Dealers and brokers, only to 50% of their net worth. . . . And individuals only to 50% of their net worth or, as an alternative, individuals may pay in full for their subscriptions. . . .

If these rules can be side-stepped, they can't be on a great enough scale to warrant the effort. . . .

We'll be seeing larger allotment percentages from now on, therefore. . . .

We'll be seeing smaller over-subscription totals. . . .

The market won't be so excited and colorful right after a financing as in the past. . . .

In short, free riding will be gone. . . .

Inside The Market

Insurance companies held off on purchases of Governments in recent weeks, preparing for new issue. . . . So far in 1942, activities of major insurance companies have been light in comparison with deals in final months of 1941, but this lack of buying is temporary. . . . Insurance companies are doing their main buying on new issue dates—not wasting their efforts on open market trading. . . .

Savings banks frightened over heavy withdrawals by misguided patriots shifting their savings into defense bonds, hoarding currency or hoarding goods. . . . Fear they'll be forced to a minor position in the Government market if trend continues and eventually, they may be forced to sell part of their holdings to meet demands for cash. . . .

Withdrawals of deposits from savings banks are not helping anyone—the Treasury, the market or the people. . . . A campaign to stop this dangerous trend will be started soon. . . .

Other institutions will have to replace savings banks as prime buyers of Governments, though. . . .

Publicity drive for defense bonds is getting under way. . . . Sales this month should run around $800,000,000, as compared with $1,000,000,000 in January. . . . Pick-up in distributions possible within a few weeks. . . .

Market has been weak. . . . Unusually dull. . . . Due not to selling pressure, but to lack of buying before financing announcement. . . . Typical pre-issue market existed before Friday, and Federal Reserve made no efforts at support. . . .

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Final Edition THURSDAY In 2 Sections – Section 2

The COMMERCIAL & FINANCIAL CHRONICLE

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FROM WASHINGTON AHEAD OF THE NEWS

Mr. Roosevelt is smarting under the criticism which has been levelled at his Administration recently but there is no indication that he intends to mend his ways. Instead, he seems to be more determined than ever.

The impression is that he looks upon the whole outburst against the OCD, Mrs. Roosevelt, the demands in and out of Congress that the Government itself be "converted to a war time basis," as a challenge and he is prepared to fight it out as such. Sarcasm has characterized his recent press conference, coupled with expressions of contempt for Congress. The difference between his attitude and that of Winston Churchill is marked. Humility, and a plea that if he had accomplished nothing else, he had gotten this country into a war, at which he said he had been working hard, and which he rightfully classed as a tremendous enterprise, characterized the latter's radio speech Sunday.

But Mr. Roosevelt is in no apologetic mood. Instead, he has a chip on his shoulder and has made known that he intends to fight it out to get a $300,000,000 appropriation from Congress with which to pay automobile and other workers displaced by the conversion of their industries. Protesting governors and members of Congress see in the apprporiation a move on the part of the New Dealers to get control of the State unemployment compensation insurance. There is a sizeable revolt in Congress but in the end the President will very likely get what he wants. In fact, there is little doubt that he would take the money from some of his other funds. The money used by Mrs. Roosevelt to build up her great sociological experiment in the OCD, had not been appropriated for such purposes by Congress. It has long since been unnecessary for the President to have to go to Congress for any money he needed. Congress in its dilemma has sought occasionally to get certain individuals whom it considered Communists

(Continued on page 783)

On The Foreign Front

European Stock Markets

Some of the bitterest war news yet faced by the financial markets developed over the last week-end, and sizeable recessions were noted in consequence on the London Stock Exchange. Issues of all descriptions tumbled Monday, after the dire news of the fall of Singapore was confirmed by Prime Minister Churchill. Although the British market held up rather well in the previous periods of bad news, the Far Eastern developments obviously troubled investors and traders deeply.

Prices drifted slowly lower at London late last week, with tea and rubber shares and Australian loans the weakest spots. The downward trend was accentuated early this week and took in gilt-edged and industrial stocks, as well as issues directly concerned in the Far Eastern situation. Burmese and Netherlands East Indian oil stocks were especially weak, while comparable declines appeared in Australian mining and Anglo-Iranian oil shares.

French markets are quiet under steadily increasing official controls. Vichy dispatches state that laws were promulgated last Saturday for a general Bourse committee, under the chairmanship of the Governor of the Bank of France, to control transactions. There is little news available regarding trends in other Continental financial centers.

Singapore Surrenders

One of the great fortresses of the world, considered impregnable until a few months ago, fell into Japanese hands last Sunday, when some 60,000 British Empire troops detailed to the defense of the bastion surrendered. Japanese authorities made the vitally important event known in radio broadcasts when it occurred, and a few hours later Prime Minister Winston Churchill included in a war accounting the somber words: "Singapore has fallen." The capture by Japan of the enormous

(Continued on page 782)

One Reader Says...

"The Financial Chronicle has been so useful that we have had the copies bound and kept for reference."

Running through our correspondence, we find a subscriber whose file of bound copies dates back to 1887—another to 1906—and still another to 1880. Can there be any doubt in your mind about the value of binding your copies of the Financial Chronicle, of having at your finger tips a complete record of all important financial developments? The new Financial Chronicle was designed for binding. With the larger page size, bound volumes will be thinner, will open flat and will be easier to handle.

This is merely a suggestion—passed along to you because we want you to get full value from your subscription to the Financial Chronicle.

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THE FINANCIAL SITUATION

There can be at least two, and probably many more, opinions about the underlying causes of the current cataclysmic world conflict; there may be as many concerning the factors that have led to our participation in it; there may be as many about the time when and the circumstances under which the United Nations would be wise to consider peace proposals—all these views may be held among the people of the United States without in any way reducing or affecting the determination of any American to do all that lies within him to further the war effort in which we are now engaged. All of them may be entertained without blemishing the patriotism of a single soul within the length and breadth of the land.

These are simple, and, it seems to us, perfectly obvious truths, but they are plainly not understood by many of our leaders, and unless and until they are grasped and accepted we shall not cease to be in danger of avoidable friction within our own ranks which can scarcely fail to limit our effectiveness in this time of great difficulty.

The public addresses upon the occasion of Lincoln's birthday, and other recent expressions, must have impressed afresh this danger upon the minds of thoughtful men and women throughout the land. Almost from the hour when news of the Pearl Harbor disaster reached our continental shores, the "interventionists," or many of them from the President down, have been permitting themselves the indulgence of an I-told-you-so attitude in which it was tacitly (but wholly without warrant) assumed that what had occurred had proved them right and the "isolationists" wholly wrong. It has not been helpful, but those at whom the finger was thus pointed have, either by reason of greater restraint or because of a reluctance to open themselves, even apparently rather than really, to an accusation of a want of loyalty, have for the most part remained silent under the implied attack. Now arise prophets who for one reason or another fear that the Republican Party may presently become a haven for citizens who, though doing all they can to hasten victory, find it impossible now as before hostilities began to agree with obviously inadequate

(Continued on page 762)

A Strange Inconsistency

The voluntary extension of the work week to 44 hours by practically all agencies throughout the departmental and field services of the Government has greatly augmented the man-hours of Federal employment.

This substantial increase in the work week has provided material relief for those agencies which were understaffed to meet their increased work load under the defense program and calls for a resurvey of personnel requirements during the remainder of this fiscal year and for the fiscal year 1943. Obviously those agencies which were adequately staffed on the basis of the 39-hour week, and are not confronted with an increase in work programs, are now overstaffed.

It is imperative that this man power be immediately capitalized and effectively channeled into defense work. This means that agency heads must survey every operational activity and determine those employes who may be promptly released for employment in other agencies. Particularly in Washington this action must be expedited in order to help meet the shortage in personnel and housing and to avoid as far as possible bringing new employes into the city. To the extent that experienced personnel can thus be obtained the housing situation in Washington will be helped and the demand for office space decreased.—The President of the United States.

Why is a 44-hour week regarded as so helpful in Washington at the same time that a 40-hour week in industry appears to be vested with an almost sacred quality by the New Dealers?

$32 Billion War Bill Is Voted By House

The House on Feb. 17 passed a record-breaking $32,070,901,900 appropriation bill for arms, lend-lease aid and ship construction. The vote on the measure was 371 to 0. It is estimated that this bill brings total defense expenditures to $142,000,000,000. The measure provides $22,888,901,900 for the Army, $3,852,000,000 for the Maritime Commission and $5,430,000,000 for direct lend-lease purposes. The Associated Press reported the following:

> The measure provides allotments for an army of 3,600,000 men, including a 1,000,000-man air force, by the end of this year, and set aside billions for a reservoir from which the United Nations may draw needed supplies.
>
> It provided new funds, too, for the Maritime Commission to send 786 vessels down the ways this year and to construct eventually 2,877 ships at a cost of $6,704,464,056.

FDR Addresses Canada On Eve Of War Loan Drive

President Roosevelt joined with Prime Minister Mackenzie King of Canada on Feb. 15 in a radio broadcast to the Canadian people on the eve of that country's second victory loan campaign to raise $600,000,000. In his address, which was broadcast through a recording made in Washington, the President praised the "all out effort which Canada is making in the common cause of liberty," and said that the United States is "proud to be your neighbor." Recalling the mutual pledges of support made four years ago, Mr. Roosevelt said they are now being implemented and the two countries now "are joined with the other free peoples of the world against an armed conspiracy to wipe out free institutions wherever they exist." He added:

> Freedom — our freedom and yours — is under attack on many fronts. You and we together are engaged to resist the attack on any front where our strength can best be brought to bear.

Warning that "peril is ahead for us all, and sorrow for many," the President declared, however, that "our cause is right, our goal is worthy, our strength is great and growing." In conclusion, he said:

> Let us then march forward together, facing danger, bearing sacrifice, competing only in the effort to share even more fully in the great task laid upon us all. Let us, remembering the price that some have paid for our survival, make our own contribution worthy to lie beside theirs upon the altar of man's faith.

Signs Naval Supply Bill

President Roosevelt signed on Feb. 9 the $26,495,265,474 Navy supply bill, the largest single appropriation measure in the Nation's history. The legislation provides more than $8,000,000,000 for ship construction and a like amount for new airplanes, in addition to $5,000,000,000 for maintaining the fleet. Congressional action on the measure was completed on Feb. 5 when the Senate adopted a conference report, which the House had approved the previous day (Feb. 4). When the bill originally passed the House on Jan. 27 the appropriation totaled $19,977,965,474. However, the Senate on Feb. 2 increased the measure by more than $6,000,000,000, chiefly for additional naval aviation. The House later agreed to these additions.

THE FINANCIAL SITUATION

(Continued from First Page)

and often starkly untrue theorizing about the origin of this war and our relation to it, or to summon substantial faith in the "planned world" envisaged by many day dreamers who thickly inhabit this country, but who are not so easy to find elsewhere. Some of these prophets are also politicians whose major interests include the Republican Party, which they fear would not survive such a consummation. Others are chiefly interested in rendering all but their own school ineffective with the public. All betray by their very fervor knowledge that what they (or some of them) now prefer to call "internationalism" has even yet failed by far to choke traditional American foreign policies fully and permanently from the minds of the American people.

Some Recent Comment

Thomas E. Dewey, who has, generally speaking, carefully refrained from forthrightness on questions of foreign policy and who is understood to have further political ambitions, contented himself on February 12 with a popular denouncement of "appeasers" and a warning that they may seek to capture his party. Said he:

> I am informed that there is already an American Cliveden set in Washington and other cities. They are scheming to end the war short of military victory. They are waiting for the time to come out in the open with plans for a negotiated peace.
>
> The issue of appeasement and compromise will surely rise. While today its advocates are present in both parties, history teaches that they all may attempt to sneak into the party of opposition. They may even attempt to use it to achieve their cowardly end.
>
> Here is the challenge. Here in the shadow of Abraham Lincoln can there be any possible doubt as to what our position shall be?
>
> We have but one course. Every suggestion of compromise must be rejected. There is no room in America for difference of opinion on this score. We shall wage this war to a total victory. We shall wage it to a victory so complete that Germany, Italy and Japan shall not again have the power to disturb the peace of the world.

Wendell L. Willkie, obviously still more than a little interested in politics, confined his thoughts on Lincoln's birthday largely to matters that have to do with the management of our war effort, but within a few days (on Sunday, February 15) he addressed the public through the columns of the New York "Times"—and this time he is much less fortunate. Here are his opening paragraphs:

> The American people are now irrevocably involved in the worst war in history. Many of our sons have already lost their lives and millions are being asked to risk theirs. It would be criminal for us to send our boys out to all parts of the earth with no plan, no purpose. We ask them for a victory; we ourselves must define victory. And for this purpose we must look ahead.
>
> Certain of our leaders, when they look ahead, are very definite about what they think they see. The leaders I have in mind are of both parties, Republican and Democratic. What they think they see is most often described as a **reaction**, a sort of letdown from the terrible energies and responsibilities of war. Evidently, these persons admit, the war is going to be fought on an international basis. To this extent the internationalists (who were called interventionists in our recent great debate) have won a temporary victory. But when we come to the peace, they argue, the American people will be fed up with internationalism in all its forms. There will be a violent swingback to isolationism. The smart thing to do politically, they say, is to wait for that swingback, to ride that wave when it comes.
>
> Of course, since Pearl Harbor, this talk is somewhat furtive. The persons I have in mind sincerely want to win the war and would not wish to do or say anything that might weaken our chances. Yet the **thought** exists in the back of their minds and they are playing their cards accordingly.
>
> Now I believe that these persons are almost wholly wrong. They are wrong not alone as regards our moral obligations or even the welfare of our people. They are wrong politically. I do not believe that that hoped-for reaction is going to take place—not, at any rate, in the way they are expecting it.

Other Discussions

Many "columnists" and other professional commentators have apparently formed a fixed habit of preaching "internationalism" almost, if not quite, as an essential element of true American patriotism, and the fall of Singapore has furnished a text for many homilies upon the alleged sloth with which we have come to a "recognition" of the "necessity" of adopting that doctrine, and upon the "consequences" of that tardiness. Although many of these observers have not always delineated their ideas with as much clarity as might be desired, it is evident enough that the reluctance with which we have become "converted" to this doctrine is often held responsible for our failure to make better progress in the production of armament. Indeed, it would appear that not infrequently no clear distinction is made between the two. Throughout it all is frequently still interspersed a good deal about our "fight for liberty and civilization," and, of course, much mere ill temper directed at our enemies. As an example merely of the more dignified and better informed discussions of the sort which is the daily fare of the readers of the public press, we cite the following from the always strongly interventionist but, of course, wholly sincere New York "Times" (February 12):

> More is going up in smoke in burning Singapore than a proud white city planted at the crossroads of the earth. More than a stronghold is tottering as Dutch and British ships dodge bombs and submarines to evacuate women and children from the greatest port in the Orient. The garrison is fighting staunchly to the last, determined that the invaders shall pay a high price for a victory that until yesterday nobody in the besieged town really believed in. The stores in the naval base have been set on fire so that when the fortress falls there will be nothing left for the Japanese but an empty shell of the power and permanence Singapore stood for in the fluid world of Asia.
>
> What goes up in the acrid fumes that blot out the tropic sky is more even than a citadel of British imperial strength. In that blaze on a little island between the China Sea and the Indian Ocean, the western gateway to India, the last illusion of American security is consumed. Through the smoke we see with dreadful clarity how weak the anchors are on which we based our assumption that at least the foundations of our world were stable.
>
> They are not; Singapore above all was a point of equilibrium, and in the light of what it has meant in the delicate balance between East and West, in the gradual process of integration between two worlds, the firing of the city by the British is almost as shattering as its conquest by the Japanese. For this is like burning in effigy a symbol of our civilization, and it reveals more clearly than anything that has happened that civilization as we know it is literally at stake in this war.
>
> The positions we are giving up in Asia are not merely outposts of Western power. If they represented no more than that they would hardly be worth defending. They are outposts of Western civilization. Each one that falls prolongs the war; but it also puts back the clock, reverses the trend of human progress. Hitler would have to be destroyed if he committed no greater crime against humanity than to force man to scorch the earth he loves and wreck the landmarks he has built to mark his advance across the centuries. The fires of Singapore show us that all we prize shall likewise perish unless we smite swiftly and with all our might.

A More Solid Basis

These are, of course, all important public questions with which the American people must at one time or another come to grips. They will become of the first order of importance when the time comes to arrange a new peace for this war torn world. Discussion of them meanwhile is probably both inevitable and fitting. Such discussion, however, should not presuppose a unanimity of opinion which does not exist, and, most important of all, there must be no disposition in any quarter to accuse opponents in such a public debate with a want of good faith or of true and deep patriotism. The truth is, so we think, that it would, all things considered, be the part of wisdom, for the present at least, to give these highly controversial matters less space and less emphasis in current discussions lest old wounds be opened and old animosities aggravated to the injury of the war effort which must engage all our energies now. It, however, appears that the interventionists will not cease to "harp on my daughter," and it would not do to permit the case to go by default to them.

We certainly can not afford to maintain a belligerent position resting upon a false footing, or to conduct a war whose avowed raison d'etre too plainly lacks accord with generally available facts. The danger is too great of a belated and disastrous awakening of the people and of a revulsion of feeling such as Mr. Willkie mentions but does not expect to materialize. Characterization of this as a war to establish or to preserve the "four freedoms" everywhere in the world, lost much of its force with the entry of Russia into the struggle. Neither has it been easy to conceive of the Soviet Republic being greatly concerned about safeguarding "our way of life." The surprisingly steady resistance which the Red Army has been able to offer, certainly has done nothing to lend strength to the always rather foolish suggestion that the continental United States was in danger of attack, invasion and conquest. Events in the Far Pacific have demonstrated what informed persons always knew—that Japanese ambitions are centered far from our shores and interests. The difficulties we are having in trying to conduct an effective war on the other side of the globe can scarcely fail to suggest the problems that would face either Germany or Japan in any attack upon our shores. Neither the history of the white man's conquest —if conquest it be—of Asia nor the pre-war state of things on that continent and its adjacent islands, outside of China, Oceania and possibly the Philippines, lends much support to the preservation of liberty theory of this war—save possibly upon the assumption of great superiority of the British, the Dutch and the French as imperial administrators. While, of course, Oceania, China and the Philippines are now all deeply involved in the many-sided struggle in the Far East, he would be naive indeed who supposed that any or all of these are the chief prizes of this war or alone would have precipitated it. As to the conception of this war as a conspiracy against or an attack upon "civilization"—well obviously it will not bear even superficial analysis.

All Agree

Why should it be necessary to posit any of these more than dubious propositions or explanations to warrant or sustain the war effort upon which we have launched ourselves? We are at war with two ambitious, aggressive, ruthless and powerful foes. We have aligned ourselves with the British, the Dutch and the Chinese. We have shouted for the world to hear that we mean business, that we will play no inactive roll, that we consider ourselves as having taken the field against our enemies. We have violently denounced them again and again. We have crossed the Rubicon and burned the bridges behind us. Now no nation in this very real world in which we live can do all this and fail to deliver mightily—and expect to be treated with respect in the future. Failure to act in keeping with the stand we have taken and with the promises we have made would be to invite defeat now and a contempt in the future which we should have to fight bitterly to escape. No nation can afford to put its hands to the plow in such a manner and look back. It would be fatal to do so. With this no one, we think, would disagree. Would it not be better to leave the war upon this grim but solid footing than to risk dissension over factors about which there never have been any unanimity in this country?

So far as post-war policies are concerned, it would certainly appear to be wise to wait some rather more definite indications of what post-war conditions and circumstances are to be. Certainly suggestions of a post-war pax Britannica or pax Americana appear somewhat premature to say the least in light of recent Far Eastern events.

The State Of Trade

Business activity shows little change from recent high levels, with most industrial sections continuing to show substantial gains compared with last year's figures. Retail business, while far ahead of 1941, was somewhat dwarfed in comparison with the record-breaking volume of last month.

The consumer buying rush is now tapering off, particularly in non-defense areas such as this district. Department store sales in the week just ended were no greater than the same week last year. This is in contrast with a 14% gain in the previous week and higher gains earlier in the year.

The approaching income tax payments are having their influence. Department stores also report declining collections.

Notwithstanding the fact that the business picture generally is cheerful, the war reverses of the Allies are having a most disturbing effect, with the gloom most pronounced in the financial district. The fall of Singapore, together with the accounts of the big losses in men and material that went with that strategic point had a most depressing effect.

Another disturbing influence in the week's developments is the labor situation. Observers point to the fact that the nation is squarely in the midst of another major crisis in industrial relations, notwithstanding the increasing gravity of the military situation.

The CIO has launched a drive for general wage increases of $1 a day, upon which the War Labor Board will have to act presently. It has also decided to seek the closed shop where it does not now exist, despite President Roosevelt's assertion that this should not be sought by Government fiat, and there is no other way to obtain it today.

Confronted with huge taxes, wage increases, higher raw material costs and price ceilings, American business appears to have rolled up greater profits in 1941 than in 1940.

An Associated Press compilation discloses that net income of the first 250 companies to report for 1941 was 21.8% greater than the preceding year. Profits of the group totaled 1,465,937,000, compared with $1,203,289,000 in 1940.

Much of the rise disclosed by the compilation, however, was attributable to the railroads, which report earlier than most other corporations and which experienced big increases in income.

Gains in most other industries were more moderate, with higher costs and taxes skimming off by far the greater part of the profits normally expected from such a high level of industrial production.

Department store sales on a country-wide basis were up 20% for the week ended Feb. 7th, as compared with the same week a year ago, according to the weekly statistics released by the Board of Governors of the Federal Reserve System. Store sales were up 22% for the four-week period ended Feb. 7th, compared with a year ago.

Department store sales in New York City in the week ended Feb. 7th were 14% larger than in the same 1941 week, and in the four weeks ended Feb. 7th, were 25% better than in the same period last year, the New York Federal Reserve Bank reported.

With "stock up" purchases apparently having passed the peak, retail trade activity showed a further decline this week, while active covering continued in wholesale markets, Dun & Bradstreet, Inc., reported.

Retail dollar sales in the past week were estimated 15 to 20% ahead of the corresponding 1941 period, compared with a year-to-year rise of 18 to 25% in the previous week.

The declining retail sales were ascribed by Dun & Bradstreet, Inc., as due to inclement weather, decreasing stock assortments, increased priorities, unemployment and the approach of the income tax period.

Further curtailment in consumers' goods lines did not prevent orders from continuing to pour into the nation's steel mills at a rate generally exceeding output, surveys of the industry disclose.

The magazine "Steel" stated, that "each new month sees the industry more wholly concentrated on war preparations, with better control of production and distribution. Close cooperation of Government bodies and steel producers is working out a pattern for the most efficient use of resources and every ton of steel is being utilized to the utmost."

Railroads in this country continue to place orders for rolling stock, 4,300 cars being bought thus far in February, exceeding the total for all January. Locomotive orders also are heavy, both in road engines and switches. Builders are working toward fulfillment of the promise of 36,000 new cars by May 1st, deemed necessary to meet heavy traffic demands.

Steel production in the United States is scheduled this week at 96.2% of capacity, against 95.5% last week, based on revised capacity figures of 88,570,000 net tons of ingots annually, the American Iron and Steel Institute announces. This week's rate is equal to 1,634,100 tons of ingots and castings, against 1,622,400 tons in the previous week.

For the corresponding week last year steel production was 1,526,700 net tons.

Engineering construction for the week, $104,893,000, tops the $100,000,000 mark for the fourth consecutive week. This volume, however, is 35% below the total for a week ago.

Public construction for the week is 30% lower than the preceding week and private work is down 63%.

The current week's volume brings 1942 construction to $894,763,000, an increase of 15½% over the total for the opening seven-week period last year. Private work, $80,711,000, is 67% below the period a year ago, but public construction, $814,052,000, is 53% higher as a result of the 98% gain in Federal volume.

Registering declines in all but one category of freight, loadings of freight for the week ended Feb. 7th amounted to 784,060 cars, the Association of American Railroads reports. This was a decrease of 31,507 cars, or 3.9%, compared with the preceding week, a seasonal movement.

Contrasted with carloadings in the same week in 1941, this was an increase of 73,864 cars, or 10.4%, primarily as a result of increases in miscellaneous freight. The improvement over 1940 amounted to 156,631 cars, or 25%.

Expanding against the usual trend at this time of the year, electric power production in the week ended Feb. 7th, amounted to 3,474,638,000 kilowatt hours, an increase of two-tenths of 1% over the previous week, the report of the Edison Electric Institute showed. The increase over the corresponding week a year ago was 16.2%, compared with a gain of 15.8% in the previous week.

Ration Retread Tires

Price Administrator Leon Henderson announced on Feb. 11 that rationing of retreaded and recapped tires would begin on Feb. 19 and explained that it was probable that "there will be no crude rubber available for retreading, except for the small number of vehicles already eligible to obtain new tires and tubes."

At the same time, the War Production Board issued an order outlining specifications limiting the amount of crude rubber that may be used in the manufacture of essential rubber products. The order is expected to save an estimated 25,000 tons of rubber in 1842.

With regard to the rationing order, Associated Press Washington advices on Feb. 11, said:

> The new rationing program, which includes the rationing of "camelback," the rubber compound used in the retreading process, will be carried out by the present tire rationing boards.
>
> Mr. Henderson said the War Production Board would determine each month the amount of crude rubber which could be used in making the compound and that "a certain amount will be made available each month to permit the retreading or recapping of truck tires.
>
> "None will be available this month for the retreading of passenger car tires, and perhaps none for the month of March.
>
> "Events will dictate the future production of this material. OPA is providing regulations broad enough to ration as much camelback as the War Production Board can make available out of our limited rubber supply."
>
> Two groups of eligibles are established under the retreading program.
>
> One, except for the addition of clergymen, is generally the same as the one in effect for new tire rationing; the other is confined exclusively to vehicles eligible to apply for retread or recap tire certificates. No vehicle on the second list will be able to obtain a retread during February, Mr. Henderson said.
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> The second group of retread eligibles includes "passenger automobile" vehicles used for taxi-cabs, transportation of executives, engineers, technicians and workers, connected with essential war operations such as car companies, transportation or communication facilities, agricultural and industrial operations and military or naval establishments; Federal, State, or local Government officials and employees; traveling salesmen, transportation of farm produce and supplies and transportation of newspapers for wholesale delivery.

Bishop Sheil Consultant

The Most Rev. Bernard J. Sheil, Auxiliary Bishop of Chicago, has accepted an appointment as Consultant to the Secretary of the Treasury, Secretary Morgenthau announced. Bishop Sheil, whose appointment becomes effective immediately, will serve at a dollar a year. Bishop Sheil is noted for his founding of the Catholic Youth Organization, and formation of a Catholic committee to work with the Boy Scouts of America. His interest in aviation led to founding of an aeronautical school for poor boys in the Chicago area, and the establishment of the CYO-Lewis School of Aeronautics at Lockport, Illinois.

Market Observations

We are watching for evidence that the restraining influences which have been holding investors in check will give way to monetary considerations as the dominating factor in their attitude toward equities. After a steady decline since the turn of the year the industrials have shown a tendency to level off with sub-normal volume of daily dealings and stabilize above the level which proved a barrier to lower prices last December. Meanwhile the rails, which should be little affected by the rapidly rising tax burden, have extended the gains recorded in the year end advance, thus serving to maintain the underlying direction of the market upward, while the industrials have been consolidating their gains.

Firming tendencies in General Motors following declaration of a 50c dividend, compared with previous payment of $1, should have a reassuring effect upon investment sentiment. Around 33 the stock shows an income return of around 6%, assuming that dividend payments this year will total at least $2 a share. As previously outlined, to maintain a yield of 5% or better, at current prices, dividends on a great many issues could be reduced as much as 50%. Accordingly, it seems only a question of time when monetary considerations will provide the underlying force for higher stock prices. We refer to the need (1) to obtain a satisfactory yield from securities as an offset to advancing living costs, and (2) to provide adequate protection for capital in case of inflation.

The calm manner in which reverses in the Far East are being accepted suggests a growing inclination to regard the situation there as of passing influence, in so far as the ultimate outcome is concerned. However, the trend of events at Singapore seems likely to provide a fresh test of sentiment. Should the market during the next several weeks continue to hold above its low of last December—in face of the quest for higher taxes and wages which, together with a policy fixing prices on finished products, tends to narrow the margin of profit and consequently to compress earnings and dividends—then it may be concluded that the adjustment to a full time war economy has been completed. In other words, the market could be viewed as having already discounted all known adverse possibilities. — J. E. Molloy, Hornblower & Weeks.

Guinness Mahon Co. Now Unlimited Liability Co.

Announcement is made by the Dorland International, Inc., in New York, of the receipt of the following cablegram from the London office on Feb. 10.

> Guinness Mahon & Co. whose merchant banking business, founded in Dublin in 1836 is at present carried on by a partnership in Dublin and London with its head office in London, have formed an unlimited liability company in Dublin entitled Guinness & Mahon to carry on banking business in Ireland as from Feb. 14, 1942. The new company has an authorized capital of one million pounds all of which will be held by Guinness Mahon & Co. and paid up to the extent of 25%. Richard Noel Guinness, formerly a partner in Guinness Mahon & Co. will be Chairman of Guinness & Mahon. Henry Eustace Guinness, the partner of Guinness Mahon & Co., resident in Dublin, will be managing director and Henry Samuel Howard Guinness, senior partner of Guinness Mahon & Co. will also be a director of the new company. Guinness Mahon & Co. will continue in London as a partnership.

Mass. Mutual Life Made Marked Gains in 1941, Pres. Perry Reveals In Report to Policyholders

Substantial gains in all directions were made by Massachusetts Mutual Life Insurance Company during 1941, says President Bertrand J. Perry, in reporting to the policyholders. New insurance sales were $133,537,493, a gain of $7,085,116, or 5.6% over the previous year. Insurance in force Dec. 31 was $2,025,443,549, an increase of $35,757,567 for the year. Admitted assets of $765,956,829 showed a gain of $41,662,794 for the year.

In commenting on the gain in new sales, Mr. Perry stated that the increased industrial activity in the production of war material has unquestionably been a stimulating influence. Furthermore, he said, since the attack on Pearl Harbor the American people have become more warminded. They are, therefore, more conscious of the increased hazards of life, and the resultant immediate need for more family protection. Some of the impetus came as a result of the buying public's anticipation of war clauses, as have since been put into effect by all companies; and also by the possibility of higher premiums, as have now been announced by some companies.

Averaging $127,000 a day, payments to policyholders and beneficiaries were $46,636,324 during the year. Policyholders received $27,714,930, and $18,921,394 went to beneficiaries. Death claims were $18,717,394.61. Benefits due to accidental death were $204,000; matured endowments, $4,170,547.86; disability income payments, $1,866,994.74; annuity payments, $5,089,678.26; and cash surrender values, $8,300,460.70.

Of 3,102 policyholder deaths, 102 were automobile fatalities, the claims being over $660,000. Payments on death claims resulting from airplane accidents were $104,000.

The executive said that the rate of mortality experienced by a company as well seasoned as the Massachusetts Mutual will not, except on rare occasions, vary from year to year to any great extent. The acquisition of a proper amount of new business maintains the average age level of its policyholders, and the newly examined lives coming into the company offset the advancing age and physical deterioration of the older members. While the company's mortality experience in 1941 was not quite as favorable as in 1940 when the rate was unusually low, it was nevertheless within the range of what was anticipated, and entirely satisfactory from the company's point of view.

In spite of the rising cost for many things entering into the operation of a life insurance company, management expenses in 1941 were only $14.84 of each $100 of premium income, a relatively small increase over the 1940 cost of $14.65.

Record Investments

Mr. Perry found that the paucity of high grade bonds in the market made security purchases difficult but, even so, the total amount acquired during 1941 was the largest for several years. As a result, the company's portfolio for the first time in its history exceeded $500,000,000 at the end of the year. While yields have continued to decline for many years, the interest income from bonds, because of the greater investment, reached its highest peak.

A larger volume of mortgages was secured during the year than in 1940 and at practically the same average rate of return as in the previous year, amortization being required in all cases.

Mr. Perry found that advantage was taken of the rising real estate market, which permitted the disposal of a larger number of properties and for a greater amount than in any other year. Such sales as were made were accompanied by substantial cash payments in every instance and were entirely outside of the so-called "shoestring" class. Here again, although the total real estate owned by the company showed a considerable shrinkage, the income from rents was larger in 1941 than ever before.

Aids War Financing

At the close of 1941, Mr. Perry said, the life insurance companies had six billion, four hundred million dollars invested in Government bonds, and as in previous periods of national emergency will continue cooperating with the Government in financing the prosecution of the war program. The Massachusetts Mutual owns the lawful maximum of defense bonds, and this year will substantially increase its investments in United States Government obligations.

Noting that life insurance agents are compensated on a commission basis, he said that they have unselfishly volunteered their services to the U. S. Treasury to help promote the sale of Defense bonds, and that in World War I the agents sold a billion dollars in Liberty bonds.

Cites Postwar Experiences

Of interest to the insurance field are figures compiled during the Civil War, the Spanish-American War, the World War and the present conflict. Mr. Perry cited the 1861 figure of $1,600,000 in policyholders' funds at work through business and Government securities and compared it with the Jan. 1, 1942 total of $17,100,000,000. Annual payments to policyholders and beneficiaries in 1861 amounted to $2,500,000, while in 1941 the total was $2,550,000,000. Life insurance protection owned by American families in the Civil War amounted to $180,000,000; in the Spanish-American War, to $6,325,000,000; in the World War period, $24,679,000,000; and on Jan. 1, 1942, $124,000,000,000.

Precedent for the present impetus to the life insurance purchases was found during the years of the World War, Mr. Perry said, as evidenced by the following record of life insurance purchased in those earlier years: For ordinary life insurance, the sales in 1915 were $2,621,000,000, an increase of 6.7% over the previous year; 1916, $3,213,000,000, increase of 22.6%; 1917, $3,840,000,000, increase of 19.5%; 1918, $3,988,000,000, increase of 3.9%; 1919, $7,010,000,000, increase of 75.8%; 1920, $8,490,000,000, increase of 21.1%.

Now, according to the $124,000,000,000 figure, American families are five times better protected than in 1917.

Sets Child Health Day

President Roosevelt, acting in accordance with a Congressional resolution adopted in 1928, proclaimed that May 1 be set aside as Child Health Day "in recognition of the vital importance of the health of children to the strength of the Nation." The President, in his proclamation, also called upon the people in each community "to contribute to the conservation of child health and the reduction of illness among children by exerting every effort to the end that before May Day, Child Health Day, children over nine months of age be immunized against diptheria and smallpox, the two diseases for which we have the surest means of prevention."

Treasury Offers For Cash $1,500,000,000 Of 2¼% Bonds Of 1952-55—Books Closed

Secretary of the Treasury Morgenthau announced on Feb. 13 the offering, through the Federal Reserve Banks, for cash subscription, of $1,500,000,000, or thereabouts, of 2¼% Treasury Bonds of 1952-55. The Treasury announced that for the benefit of small investors, preferential allotments would be given to subscribers up to $5,000, where delivery in registered bonds 90 days after issue date was specified; those entering such a subscription for preferential allotment were not permitted to enter any other subscription.

The Treasury closed the subscription books at the close of business the same day (Feb. 13), except for the receipt of subscriptions from the small investors, which were closed on Feb. 14.

It was reported by the Treasury on Feb. 16 that, on the basis of preliminary figures, subscriptions totaled more than $4,500,000,000, indicating that the issue had been oversubscribed three times.

The Treasury Bonds of 1952-55, offered for cash subscription, will be dated Feb. 25, 1942, and will bear interest at the rate of 2¼% per annum, payable semi-annually on June 15 and Dec. 15, with the first coupon due June 15, 1942, for a fractional period. The bonds will mature June 15, 1955, but may be redeemed, at the option of the United States, on and after June 15, 1952.

The Treasury's announcement further said:

> The bonds will be issued in two forms: bearer bonds with interest coupons attached, and bonds registered both as to principal and interest. Both forms will be issued in the denominations of $50, $100, $500, $1,000, $5,000, $10,000 and $100,000.
>
> Pursuant to the provisions of the Public Debt Act of 1941, interest upon the bonds now offered shall not have any exemption, as such, under Federal Tax Acts now or hereafter enacted. Otherwise the bonds will be accorded the same exemptions from taxation as are accorded other issues of Treasury Bonds now outstanding. These provisions are specifically set forth in the official circular released today.
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> Subscriptions will be received at the Federal Reserve Banks and branches, and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Subscriptions for the bonds from banks and trust companies for their own account will be received without deposit, but subscriptions from all others must be accompanied by payment of 10% of the amount of bonds applied for. The bases on which subscriptions will be entertained from the various classes of subscribers will be the same as announced on Dec. 3, 1941, for the Dec. 15 cash offerings. (Explanation given further below. —Ed.)
>
> The right is reserved to close the books as to any or all subscriptions or classes of subscriptions at any time without notice. The basis of allotment of subscriptions will be publicly announced, and payment for any bonds allotted must be made or completed on or before Feb. 25, 1942, or on later allotment.

The text of the official circular follows:

UNITED STATES OF AMERICA
2¼% Treasury Bonds of 1952-55
Dated and bearing interest from
Feb. 25, 1942
Due June 15, 1955
Redeemable at the option of the
United States at par and accrued interest on and after
June 15, 1952
Interest pay. June 15 and Dec. 15

1942
Department Circular No. 681

Fiscal Service
Bureau of the Public Debt

Treasury Department,
Office of the Secretary,
Washington, Feb. 13, 1942.

I. Offering of Bonds

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for 2¼% bonds of the United States, designated Treasury Bonds of 1952-55. The amount of the offering is $1,500,000,000, or thereabouts.

II. Description of Bonds

1. The bonds will be dated Feb. 25, 1942, and will bear interest from that date at the rate of 2¼% per annum, payable on a semi-annual basis on June 15 and Dec. 15 in each year until the principal amount becomes payable. They will mature June 15, 1955, but may be redeemed at the option of the United States on and after June 15, 1952, in whole or in part, at par and accrued interest, on any interest day or days, on four months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The bonds will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege and will not be entitled to any privilege of conversion.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of $50, $100, $500, $1,000, $5,000, $10,000 and $100,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

5. The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds.

III. Subscription and Allotment

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. Subscribers must agree not to sell or otherwise dispose of their subscriptions, or of the securities which may be allotted thereon, prior to the closing of the subscription books. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions from banks and trust companies for their own account will be received without deposit. Subscriptions from all others must be accompanied by payment of 10% of the amount of bonds applied for. Subscriptions will be entertained from the various classes of subscribers on the following bases:

(a) Banks and trust companies for their own account—not to exceed 50% of capital and surplus.

(b) Mutual savings and cooperative banks, Federal Savings and Loan Associations, trust accounts and investment corporations, pension funds, insurance companies, and similar institutions and funds—not to exceed 10% of total resources.

(c) Corporations organized for profit, and dealers and brokers—not to exceed 50% of net worth.

(d) Individuals—not to exceed 50% of net worth or 100% of cash deposited with subscription. (Note: No preferred allotment will be made on such full-paid subscriptions.)

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subscriptions for amounts up to and including $5,000 where the subscribers specify that delivery be made in registered bonds 90 days after the issue date will be given preferred allotment. In each such case a subscriber may not enter any other subscription, and payment must be made as provided in Section IV of this circular. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

IV. Payment

1. Payment at par and accrued interest, if any, for bonds allotted hereunder must be made or completed on or before Feb. 25, 1942, or on later allotment. In every case where payment is not so completed, the payment with application up to 10% of the amount of bonds applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depositary will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

V. General Provisions

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

Items About Banks, Trust Companies

Central Savings Bank of New York announces the election of Otto Strippel to the Board of Trustees. Mr. Strippel, a native New Yorker and a graduate of New York University, began his employment with the bank in 1904. In 1927, he became Treasurer and, having been elected Vice-President in 1938, now holds the office of Vice-President and Treasurer.

At the Board of Directors meeting of the Grace National Bank of New York on Feb. 11 George J. Wunderlich was appointed Assistant Cashier.

George W. Spence, President of the Peoples National Bank of Brooklyn, Brooklyn, N. Y., died on Feb. 5 at the Brooklyn Hospital. He was 77 years old. A native of Brooklyn, Mr. Spence had been identified with banking interests for 60 years.

He began his career with the Chase National Bank of New York and in 1894 joined the old Peoples Bank of Brooklyn, which merged in 1907 with the old Union Bank of Brooklyn. He was President of the Peoples Bank for three years before the merger and a year later helped to found the Peoples National Bank. Mr. Spence was the first President of the Peoples National Bank, a post he held until his death.

The Bank of East Syracuse, East Syracuse, N. Y., recently became a member of the Federal Reserve System. The bank, which is headed by Edward H. Dew, had assets of $1,566,000 at the end of December, 1941. It is the 49th new member of the Federal Reserve Bank of New York since the Fall of 1940.

Arthur T. Bissell, Chairman of the Board of the Savings Bank of Rockville, Rockville, Conn., died on Feb. 5. He was 92 years old. Mr. Bissell had been connected with the Rockville institution for more than 75 years, having served as Treasurer for 30 years prior to his resignation in 1933. Upon his retirement he was made Chairman of the Board, a position he held at his death. Mr. Bissell began his career with the bank when he was 14 years old; he was made a corporator in 1891, a director in 1900 and Assistant Secretary and Assistant Treasurer in 1903. In the latter part of 1903, upon the death of his father, Mr. Bissell became Treasurer. Mr. Bissell had also been connected for many years with the insurance agency of L. Bissell & Son, which was established in 1869 and was one of the first insurance agencies in Connecticut.

James G. McConkey, retired General Counsel of the Federal Reserve Bank of St. Louis, died on Feb. 4 at Barnes Hospital, St. Louis. He was 73 years old. Mr. McConkey, who had been General Counsel of the St. Louis Reserve Bank since its opening in 1914, retired in 1938 in accordance with the Retirement System of the Federal Reserve Banks.

The net profits of the Westminster Bank Limited (head office London) for the past year, after providing for rebate and taxation, and after appropriations to the credit of contingency accounts, out of which accounts full provision for bad and doubtful debts has been made, amount to £1,189,696. This sum, added to £551,130, brought forward from 1940, leaves available the sum of £1,740,826. The dividend of 9% paid in August last on the £4 shares and 6¼% on the £1 shares, absorbs £288,481. A further dividend of 9% is now declared in respect of the £4 shares, making 18% for the year; and a further dividend of 6¼% on the £1 shares will be paid, making the maximum of 12½% for the year. The bank also reports that £100,000 has been transferred to bank premises account and £300,000 to officers pension fund, leaving a balance of £563,864 to be carried forward.

The Board of Directors of Swiss Bank Corporation at a meeting in Basle, Switzerland, on Feb. 10 approved accounts for 1941, showing net profits including carryover of 9,655,966 francs against 9,157,189 francs for 1940, and total assets of 1,370.094,424 francs against 1,366,071,396 francs. At the general meeting on Feb. 27, the Board of Directors will propose a 4% dividend, after which there would be a carryover of 3,255,965.81 francs against 2,757,189.31 francs.

Would Kill Silver Act, House Rejects Proposal

The statement that he would "be glad to see Congress strike all of the silver legislation off the books" because of the cost to the Treasury was made by Secretary of the Treasury Morgenthau on Feb. 2 during hearings by the House Appropriations Committee on the appropriation bill to finance the Treasury and Post Office Departments. An attempt to nullify the Silver Purchase Act of 1934, proposed in an amendment to the appropriation bill for the Treasury and Post Office Departments was defeated by two votes on Feb. 3,—55 to 53. The amendment was offered by Representative Dirksen (Republican of Illinois.) The bill, appropriating a total of $1,112,926,899—of which $209,956,976 would be for the Treasury and $902,969,923 for the Post Office Department was passed by the House on Feb. 3 by a voice vote. Mr. Morgenthau's testimony was made public by the Committee in sending the bill to the House on Feb. 2. The total appropriation provided in the bill, said the Associated Press, represented an increase of $25,604,633 over the comparable expenses for the current fiscal year, but a reduction of $4,902,036 from the amount estimated as necessary by President Roosevelt.

The Associated Press also reports that Secretary Morgenthau, discussing before the House Committee, the law requiring the Treasury to buy silver until it reaches $1.29 an ounce or until the accumulations reach one-fourth of the stock in the country, said:

> Right now the situation is that there is more and more use of silver for industrial purposes and we can not sell any of the silver we have, with the result that Canadian and Mexican silver is going into industrial uses and with our mines producing it we buy it and put it away.
>
> Our domestic users of silver are entirely at the mercy of the foreign people as to what they charge, but so far they have not abused it. However, if one of the foreign silver countries tomorrow wanted to charge 50 cents or 60 cents, they could do it and we could not do anything about it.

The world price is 35 cents an ounce and the domestic price is 71.11 cents—the difference representing the subsidy to silver producers, Mr. Morgenthau said.

The Committee also received information that:

1. Through informers, the Treasury collected $1,309,000 in revenue which had not been reported and paid $58,000 to the informers.

2. The United States has "frozen" foreign funds of 34 countries, starting with Norway on April 8, 1940, and ending with the Philippine Islands last Jan. 5.

3. The collection costs for each $100 of internal revenue is 89 cents, the lowest since 1921, when it was 72 cents. But the cost of collecting the new $5-a-year auto tax is estimated at $2.78 for each $100.

From its Washington Bureau, the "Wall Street Journal" on Feb. 3 stated:

> At his press conference and in testimony before the House Appropriations Committee, the Secretary declared:
>
> 1. National credit is sound, and that, providing the war is won, there are no danger signals concerning U. S. solvency.
>
> 2. Silver purchase legislation should be repealed, but industrial uses should be great enough to keep the silver price here at the world price level.
>
> 3. Defense bond sales for January reached $1,060,547,000, accounting for nearly half the entire cost of the war effort for that month.
>
> 4. The new $500 million loan to China is not a stabilization loan, but is for "general purposes."
>
> 5. He is unhappy about the automobile tax stamp situation.
>
> Secretary Morgenthau said that the Treasury not only wants to stop buying silver but that it also wants to get rid of what silver it has. He urged repeal of the monetization of Domestic Silver Act, under which the Treasury buys all domestic and world silver offered it. He said he would also recommend the sale to industry of the silver accumulated by the Treasury in the seven years that the New Deal's silver purchase policy has been in effect.

In his testimony before the House Committee Secretary Morgenthau (we quote the Associated Press) said that the nation's fiscal affairs were in better shape than in the First World War and were free from danger signals. The press accounts added:

> "Right now," the Treasury Secretary said in testifying before the House committee, "I think the way values of stocks, bank stocks and commodities have stood up is absolutely amazing—that is, the little fluctuation, there has been.
>
> "I hope it will continue that way," he added, "and I think with all safeguards and brakes that we are adding the situation looks much more hopeful than it did in World War No. 1."

Vote Pensions For Retired Congressmen

Legislation liberalizing the Civil Service Retirement Act so as to extend the coverage to all officers and employees of the executive, legislative and judicial branches of the Government, including members of Congress, was recently passed by Congress and signed by the President. On Feb. 10 it was reported that President Roosevelt had said that under the new law it would be possible for him to retire on a pension of $37,500 annually simply by paying only a few dollars during the remaining years of his term. However, it was explained by Stephen Early, White House Secretary, on Feb. 11 that the President was speaking facetiously and had no intention of applying for a Federal pension. The bill was signed by the President on Jan. 24. The legislation increases employees' contributions from 3½% to 5% of salary and makes 70 years the uniform compulsory retirement age for all government employees, except elected officials. Civil service employees may retire before reaching the compulsory age, depending on the number of years of service.

The bill passed the House on Dec. 1 by unanimous vote without debate but before the Senate adopted the measure on Jan. 19 by a 42 to 24 vote considerable opposition had developed in regard to the provision giving Congressmen the right to obtain retirement annuities. Senator Byrd (Dem. of Va.) proposed an amendment to provide that before Congressmen became eligible for pensions they would have to make "reasonable back payments" for years of service. His amendment was defeated 34 to 28. Under the bill as passed a member of Congress who joined the system would pay 5% of his salary annually. His annuity would be based on length of service when he reached the retirement age, beginning at 62. No one would be eligible until he had served five years.

In view of protests made, several bills have been introduced in the Senate and the House calling for the repeal of the Congressional pension provision. It is likely that there will be some reconsideration of the bill.

Vetoes Foreign Agents Bill, Urging Changes

President Roosevelt vetoed on Feb. 9 the bill designed to tighten the restrictions on foreign agents, saying that the legislation should be adjusted "to meet the changed conditions resulting from our entry into the war." "Such adjustment," said the President, might be achieved by granting broad discretionary powers to the Attorney General during the emergency." The President stated that some of the requirements of the legislation passed by Congress would be "unnecessary, inappropriate and onerous in respect to the representatives of friendly nations who are constantly coming to and from the United States to cooperate with us."

The bill passed the House on Dec. 19 and the Senate, in amended form, on Jan. 12. Final Congressional action came on Jan. 28 when both branches adopted the conference report.

In the Washington "Post" of Feb. 10 it was stated:

> The bill, which in its registration requirements failed to separate representatives of the United Nations from its broad regulation of foreign agents, will be reconsidered by the House Judiciary Committee, Chairman Hatton W. Summers said.
>
> Representative Martin Dies, of Texas, who led an unsuccessful House fight to include the Communist Party and Bund organizations by name, and force registration of their membership, had written Attorney General Biddle that their registration was nonetheless required.
>
> In defeating his amendment, the House received assurances that these groups, though unnamed, would have to register under its terms, Representative Dies said he wrote Biddle.

From Washington Feb. 9 special advices to the New York "Times" had the following to say in part:

> It was said unofficially that the measure was so drawn that it would require Winston Churchill, British Prime Minister, or Lord Beaverbrook, British Minister of War Production, to register their presence with the Justice Department when they came to this country, even if their presence and mission should, for strategic reasons, be kept secret.

The President's veto message follows:

To the House of Representatives:

> I return herewith, without my approval, H. R. 6269, "To amend the act entitled 'An act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes,' approved June 8, 1938, as amended."
>
> This bill was drafted in peacetime to protect a nation at peace. It was properly designed to force the disclosure of the activities of foreign agents who may abuse the hospitality of our country or weaken our national unity by fostering discord and distrust.
>
> The bill, however, obviously was not drafted with a view to the situation created by the Axis assault upon our country and our entry into the war in fighting partnership with 25 United Nations and in active cooperation with other nations whose defense we deem vital to our own defense.
>
> To achieve victory we must be certain that there is a minimum of interference with the strengthening and perfecting of joint action. Active collaboration of a military or economic nature with friendly countries requires the fullest and most constant exchange of representatives between us.
>
> Just as we are anxious to see nothing interfere with the functioning of our representatives in friendly countries, so we must do everything we can to facilitate their functioning with us in the common cause. It is far from clear that the requirements of this legislation would not in many instances be unnecessary, inappropriate and onerous in respect to the representatives of friendly nations who are constantly coming to and from the United States to cooperate with us.
>
> I recommend that this bill be adjusted to meet these changed conditions resulting from our entry into the war. Such adjustment might be achieved by granting broad discretionary powers to the Attorney General during the emergency, to enable him to administer the bill so as to meet these new conditions.

Hearings On Parity Prices

The Agriculture Department's position and the views of Secretary Wickard with respect to the farm price question was the subject for an extended hearing before the Senate Agricultural Committee on Jan. 31. The Senate group had summoned Mr. Wickard as a result of an address he made in Atlanta on Jan. 28, in which he told farmers that they must be satisfied with parity prices, describing these as a "fair return to farmers and a fair cost to consumers." The Secretary had also said at that time that he would do all he could to keep prices up to parity and keep them from going "much beyond parity." Under the farm price section of the recently enacted Price Control Bill (inserted through the Senate farm bloc's insistence), farm commodity prices are permitted to rise up to 110% of parity before the Price Administrator could order ceilings. This section also directs the Secretary of Agriculture to obtain, as far as possible, parity for agriculture—in that it gives him veto power over the Price Administrator's farm price ceilings. (Parity is the price which gives farm products the same relative purchasing power they had in the years 1909-14). Although the hearing before the Senate committee was a closed session it is reported that the Secretary insisted on his position to keep the prices of farm products from going to the 110% parity level provided in the bill. It is also said that the Administration plans to keep prices down by using its power in the price control bill to buy and sell commodities.

Secretary Wickard, in a talk to the Department's War Boards at St. Louis on Feb. 2, reiterated his previous stand that he will do all he can to maintain parity and "keep the average prices of farm commodities from going above parity to a point that would hurt farmers, consumers and the nation."

1941 Auto Production 8.3% Above 1940

Factory sales of automobiles manufactured in the United States, including complete units or vehicles reported as assembled in foreign countries from parts made in the United States, for December 1941 consisted of 282,205 vehicles, of which 174,962 were passenger cars and 107,243 commercial cars, trucks, and road tractors, as compared with 352,347 vehicles in November, 1941, 483,567 vehicles in December, 1940, and 452,142 vehicles in December, 1939. These statistics comprise data for the entire industry and were released Jan. 29 by Director J. C. Capt, Bureau of the Census, Department of Commerce.

As the publication of foreign trade statistics has been suspended for the duration of the war, the statistics on United States factory sales of automobiles to the domestic market and to foreign markets have been combined in this report.

Statistics for 1941 are based on data received from 69 manufacturers in the United States, 20 making passenger cars and 63 making commercial cars, trucks, or road tractors (14 of the 20 passenger car manufacturers also making commercial cars, trucks, or road tractors). It should be noted that those making both passenger cars and commercial cars, trucks, or road tractors have been included in the number shown as making passenger cars and in the number shown as making commercial cars, trucks, or road tractors, respectively. The figures for passenger cars include those for taxicabs. The figures for commercial cars, trucks, and road tractors include those for ambulances, funeral cars, fire apparatus, street sweepers, station wagons, and buses, but the number of such special purpose vehicles is very small and hence a negligible factor in any analysis for which the figures may be used. Canadian production figures are supplied by the Dominion Bureau of Statistics. Figures for previous months appear in our issue of Jan. 8, page 115.

NUMBER OF VEHICLES (INCLUDING CHASSIS)

	United States (Factory Sales)			Canada (Production)		
Year and month	Total (all vehicles)	Passenger cars	Commercial cars, trucks and road tractors	Total	Passenger cars	Commercial cars and trucks
1941—						
January	*500.878	411,233	*89,645	23,195	11.990	11.205
February	485.622	394.513	91,109	23,710	10,647	13.063
March	*507,834	410,196	*97,638	26,044	12.093	13 951
April	*462,272	374,979	*87,293	27,584	12,091	15,493
May	518,770	417,698	101,072	26,585	9.840	16,745
June	520,525	418,983	101,542	25,753	8.538	17.215
July	*444,243	343,748	*100,495	24,654	3,849	20,805
August	*147,601	78.529	*69.072	17,192	3.160	14.032
September	234,255	167,790	66,465	14,496	2.548	11.943
October	*382,009	295,568	*86,441	19,360	5,635	13,725
November	352,347	256,101	96,246	21,545	7.003	14.542
December	282,205	174,962	107,243	20,313	6,651	13,662
Total (year)	4,838,561	3,744,300	1,094,261	270,431	94,045	176,386
1940—						
January	432,279	362,897	69,382	17.213	12.579	4,634
February	404,032	337,756	66,276	18,193	12,779	5,414
March	423,620	352,922	70,698	16,612	12.025	4,587
April	432 746	362,139	70,607	19,687	13,487	6,200
May	391,215	325,676	65,539	21,277	12,677	8,600
June	344,636	286,040	58,596	17,930	8,739	9,191
July	231,703	168,769	62,934	14,468	3,397	11,071
August	75,873	46,823	29,050	13.993	1,510	12,483
September	269,108	224,470	44,638	15,475	3.410	12.065
October	493,223	421,214	72,009	21,151	7.056	14 095
November	487,352	407,091	80,261	23,621	10,814	12.807
December	483,567	396,531	87,036	23,364	11,653	11,711
Total (year)	4,469,354	3,692,328	777,026	222,984	110,126	112,858
1939—						
January	342,168	281,465	60,703	14,794	11,404	3.390
February	303,220	243,000	60,220	14.300	10.914.	3.386
March	371,946	299,703	72,243	17,553	12.689	4.864
April	337,375	273,409	63,966	16,891	12,791	4,100
May	297,542	237,870	59.672	15,706	11,585	4.121
June	309,738	246,704	63,034	14,515	10,585	3,930
July	209.359	150,738	58,621	9,241	5,112	4.129
August	99,868	61,407	38,461	3,475	1,068	2,407
September	188,757	161,625	27,132	3,922	3,494	423
October	313,392	251,819	61,573	11,297	7,791	3 506
November	351,785	285,252	66.533	16,756	9,882	6 874
December	452,142	373,804	78,338	16,976	11,054	5,922
Total (year)	3,577,292	2,866,796	710,496	155,426	108,369	47,057

*Revised.

December Motor Freight Volume 21.5% Over 1940—Unseasonable Increase Over November

The volume of revenue freight transported by motor truck in December increased 4.9% over November and 21.5% over December, 1940, according to reports compiled and released on Jan. 26 by the American Trucking Associations. It was the first time in the five years ATA has been compiling loading figures that the December volume was greater than in November.

Comparable reports were received by ATA from 219 carriers in 40 States. The reporting carriers transported an aggregate of 1,487,189 tons in December, as against 1,417,513 tons in November, and 1,223,983 tons in December, 1940.

The ATA index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period of 1938-1940 as representing 100, was 153.41. The index figure for November was 147.78.

A little more than 79% of all tonnage transported in the month was reported by carriers of general freight. The volume in this category increased 5.8% over November, and 25.3% over December of the previous year.

Transporters of petroleum products, accounting for more than 8% of the total tonnage reported, showed an increase of 23.4% over November, and a jump of 62.3% over December, 1940.

Movement of new automobiles and trucks constituted 4% of the total tonnage reported. Tonnage in this class, hit hard by curtailment of production and sales, decreased 23.0% under November, and 36.9% under December of the previous year.

Haulers of iron and steel products reported almost 5% of the total tonnage. The volume of these commodities increased 10.8% over November, and 4.9% over December, 1940.

Almost 4% of the total tonnage reported was miscellaneous commodities, including tobacco, milk, textile products, bricks, building materials. cement and household goods. Tonnage in this class decreased 11.8% under November, but held 21.7% above December of the previous year.

Cotton Consumption in January At High Level

Under date of Feb. 14, 1942, the Census Bureau issued its report showing cotton consumed in the United States, cotton on hand, active cotton spindles, and imports and exports of cotton for the month of January, 1942, and 1941. Cotton consumed amounted to 945,909 bales of lint and 116,247 bales of linters, as compared with 844,839 bales of lint and 114,160 bales of linters in January, 1941.

January consumption of cotton includes 700 bales distributed by Surplus Marketing Administration through various cotton mattress programs. The following is the statement:

(Cotton in running bales, counting round as half bales, except foreign which is in 500-pound bales.)

		Cotton consumed during		Cotton on hand January 31		
	Year	January (bales)	6 mos. ending Jan. 31 (bales)	In consuming establishments (bales)	In public storage and at compresses (bales)	Cotton spindles active during January (number)
United States	1942	*945,909	5,386,363	2,495,186	12,857,321	23,077,352
	1941	844,839	4,423,446	1,878,231	14,672,545	22,829,220
Cotton-growing States	1942	804,745	4,375,890	2,034,095	12,466,638	17,450,286
	1941	718,566	3,784,276	1,553,605	14,372,133	17,301,652
New England States	1942	114,727	643,226	383,877	369,957	4,977,056
	1941	102,544	518,038	277,190	292,195	4,909,542
All other States	1942	26,437	167,247	77,214	20,726	650,010
	1941	23,729	121,132	47,436	8,217	618,026
INCLUDED ABOVE						
Egyptian cotton	1942	(1)	(1)	43,455	6,511	
	1941	(1)	(1)	32,263	5,171	
Other foreign cotton	1942	16,569	95,380	63,408	45,776	
	1941	11,157	61,043	28,670	27,431	
Amer.-Egyptian cotton	1942	4,504	19,401	23,041	11,814	
	1941	2,524	11,970	13,121	6,447	
NOT INCLUDED ABOVE						
Linters	1942	116,247	738,538	541,754	146,007	
	1941	114,160	621,964	516,777	85,529	

(1) Included in other foreign cotton.

*January consumption of cotton includes 700 bales distributed by Surplus Marketing Administration through various cotton mattress programs.

Imports And Exports Of Cotton And Linters

In the interest of national defense the Department of Commerce has decided to discontinue until further notice the publication of detailed statistics concerning imports and exports.

World Statistics

Because of war conditions and the difficulties in obtaining dependable world statistics such data are being omitted from this report for the time being.

Petroleum And Its Products

Civilian motorists in the East were called upon to voluntarily reduce their gasoline consumption by 15% by Petroleum Coordinator Harold L. Ickes as he told a House Interstate Commerce subcommittee that he was making every effort to avoid rationing of petroleum products and, at the present time, he believed that actual rationing was unnecessary. He also said at his Tuesday appearance in Washington before the subcommittee that he was asking the War Production Board to reconsider proposals for the construction of a 24-inch pipeline from the Gulf to the East Coast.

In disclosing that he had urged industrial plants now using heavy fuel oil to convert to coal wherever possible and also had suggested that the Maritime Commission convert some tankers, now carrying gasoline, to the transportation of light fuel oil, Mr. Ickes described the February 16 submarine attacks upon oil refineries at the Dutch West Indian island of Aruba and on tankers in that vicinity as a serious indication of the "gravity" of our shipping situation. "The implications of such a bold thrust against our oil supply lines are indeed ominous," he said.

The petroleum industry has recommended to the Office of Petroleum Coordination a daily 7 p.m. to 7 a.m. curfew on retail gasoline sales in the East with a complete ban on Sunday sales, Mr. Ickes reported before the subcommittee. Holding that he was not convinced of the advisability of a service station shutdown, Mr. Ickes declared that "Sunday driving is sometimes more essential than Monday driving." However, should the appeal for voluntary curtailment of motor fuel consumption in the East and the curfew fail to bring about the desired results, rationing was predicted by the industry committee.

"If rationing is necessary," the Oil Coordinator continued, "they (the industry) favor the consumer coupon book system recommended by the District 1 Marketing Committee." He added that "since a number of East Coast tankers have been diverted to help out the West Coast, the oil men suggested that 'it would seem only fair that West Coast consumption should be curtailed to about the same extent as may be decided upon for the East Coast'." The shortage is primarily one of transportation facilities, with the diversion to war duties and sinking of an unknown total of tankers cutting down supplies moving into the East Coast area.

Oil inventories on the East Coast on Dec. 13 had reached a total approximately 8,500,000 barrels above the figure for the comparable 1940 date, Mr. Ickes reported, but ever since that date stocks have been "going down without interruption," hitting a low by Feb. 7, of 5,705,000 barrels below last year's level, a daily average decline of 370,000 barrels. The industry's report, he said, predicted that if this condition continues it would bring "total East Coast stocks substantially below a safe working level." Mr. Ickes indicated a possibility that the railroads eventually "may be taxed to that degree that priorities (on cargoes) will have to be declared."

The war touched the petroleum industry in both the West Indian and East Indian possessions of the Netherlands Government with the Japanese forces forging ahead in the East after taking Singapore. The great oil center of Palembang, in Southern Sumatra, producer of more than half of the total petroleum output of the Dutch East Indies, fell to the Japanese on Feb. 16. But the victory scored by the Japanese was somewhat hollow since the Dutch defenders applied the torch and explosives to the field in a $100,000,000 application of the "scorched earth" policy which they have adopted against the aggressive Axis powers in the Far East.

The submarine attack upon the refinery and tankers at Aruba in the Dutch West Indies was the first land attack made upon the United Nations in the Western Hemisphere. Some 10 tankers were torpedoed, many of them sinking or set afire badly with casualties unknown to date, but the submarine shelling resulted in "no damage" to the refinery. The Aruba refinery of the Standard Oil Co. of New Jersey, largest in the world, is of vital importance to the United Nations since it supplies a good portion of England's required refined products, particularly aviation gasoline. On the neighboring island of Curacao the large Royal-Dutch Shell refinery at Willemstad is well inland and therefore not as susceptible to submarine shelling as the refinery at Aruba, which is on the coastline of the small island.

With the Japanese forcing the Dutch to destroy much of the oil producing area in the Far East, the refineries in the Dutch West Indies assume even greater importance to the United Nations than previously. Approximately 45% of the combined total output of crude oil of Venezuela and Colombia must be treated at the Aruba and Curacao refineries. One reason for the high toll of tankers enacted by the undersea raider or raiders is that the lack of a natural harbor forces tankers bring crude oil to the Aruba refinery or waiting loading of refined products to anchor out in the Caribbean, sometimes for an extended period, before docking space for loading or unloading is available.

Relief for overloaded railroad crude oil transportation facilities during 1942 will be afforded by a rise to nearly 200,000,000 barrels in the total of crude oil and petroleum products moved on the Mississippi Waterways System to inland refineries, thus freeing more railroad tank cars for East and West Coast service to replace lost tanker facilities. Rail movements of oil into the East reached a record peak of approximately 1,000 cars during the initial week of February, which is about 15% of demands for the Atlantic Seaboard area. Total movements for the week amounted to 223,000 barrels in 6,935 railroad tank cars.

R. A. Riddle, chief engineer of the Carolines division of the Standard Oil Co. of New Jersey, announced Tuesday in Charlotte that tank cars were being loaded from the new Baton Rouge-to-Greensboro oil pipelines for shipment to Eastern seaboard points. Sinking of coastwise tankers by enemy submarines was credited with necessitating the immediate loading of tank cars which eventually will take 40,000 barrels of gasoline daily to Eastern points. Mr. Riddle said that the Plantation Pipe Line Co. began delivery of 20,000 barrels daily for loading in tank cars at Greensboro Tuesday for transshipment by rail. Next week, he added, the pumping station will be increased to permit the loading at Charlotte of another 20,000 barrels daily. War developments made day, night and Sunday work necessary both on the pipeline and the loading of the cars, he declared.

Two shutdown days in Texas during the second week of February cut production of crude oil throughout the Nation by 260,335 barrels from its record peak of the previous week, the total dropping to 4,071.060 barrels, according to the "Oil & Gas Journal." California and Kansas were the only major oil producing fields to show higher production of crude, with all others joining Texas in reporting lower crude totals. Inventories of domestic and foreign crude oil on Feb. 1 were up 1,626,000 barrels from the previous week at 252,366,000 barrels, the Bureau of Mines reported. Holdings of American crude oil were up 1,660,000 barrels but this was partially offset by a drop of 34,000 barrels in stocks of foreign crude oil.

The 12th mid-year meeting of

the American Petroleum Institute, scheduled for May 25 to 28 at Oklahoma City, Okla., has been canceled, W. R. Boyd, Jr., President, announced this week. "This action has been taken by the Institute's Executive Committee upon my recommendation," Mr. Boyd said, "because so many of the members of the Institute, and particularly of its working committees, who normally attend mid-year meetings are actively engaged in war work."

There were no crude oil price changes posted for crude oil during the week.

Prices of Typical Crude per Barrel At Wells

(All gravities where A. P. I. degrees are not shown)

Bradford, Pa.	$2.75
Corning, Pa.	1.31
Eastern Illinois	1.22
Illinois Basin	1.37
Mid-Contin't, Okla., 40 and above	1.25
Smackover, Heavy	0.8
Rodessa, Ark., 40 and above	1.20
East Texas, Texas, 40 and above	1.25
Kettleman Hills, 37.9 and over	1.29
Pecos County, Texas	0.95
Lance Creek, Wyo.	1.12
Signal Hill, 30.9 and over	1.2

Despite all of the advance rumors that Petroleum Coordinator Ickes would announce gasoline rationing to alleviate the transportation-shortage created tightness in refined products' supplies in the East in his Tuesday appearance before the House subcommittee in Washington, he merely asked for voluntary curtailment of gasoline purchases by 15% and reported that the industry recommended a night-and-Sunday shutdown of service stations.

It still seems almost certain that tanker losses through submarine attacks and through diversion to Army and Navy needs will bring a drop in shipping facilities sufficient to force some sort of rationing. Gasoline demand to date this year has run ahead of last year's record breaking pace and with the spring weather coming resumption of the rising trend in demand may reasonably be expected. Just how much actual effect the tire rationing effect will have upon motor fuel consumption is something that cannot be accurately determined for sometime.

With the end of the season of peak demand for home and industrial heating oils only a short time off. it seems now as though the industry will be able to squeeze through all right as far as this branch of the refined products field is concerned. Whether or not movements of industrial oils can be accelerated sufficiently by conversion of facilities now used for gasoline and light oil movements is something that only time can tell. Whatever gains in transportation facilities for heavy oil are possible must be made at the expense of other refined crude products.

U. S. Gasoline (Above 65 Octane), Tank Car Lots, F. O. B. Refinery

New York—	
Socony-Vac	$.088
Tide Water Oil	.088
Texas	.088
*Shell Eastern	.088
Other Cities—	
Chicago	.06-.06¾
Gulf Coast	.06-.06
Oklahoma	.06-.06¾

*Super.

Kerosene, 41-43 Water White, Tank Car F. O. B. Refinery

New York (Bayonne)	$.05
Baltimore	.054
Philadelphia	.054
North Texas	.04
New Orleans	4.25-4.625
Tulsa	.04⅜-.04¾

Fuel Oil. F. O. B. Refinery or Terminal

N. Y. (Harbor) Bunker C	$1.35
Diesel	2.15
Savannah, Bunker C	1.30
Philadelphia, Bunker C	1.35
Gulf Coast	.85
Halifax	1.70

Gas. Oil. F. O. B. Refinery or Terminal

N. Y. (Bayonne) 7 plus	$.0
Chicago, 28.30 D	.05
Tulsa	.03¾

Market Value Of Bonds on N. Y. Stock Exchange

The New York Stock Exchange announces that as of the close of business Jan. 31, 1942, there were 1,171 bond issues aggregating $59,075,678,533 par value listed on the Stock Exchange with a total market value of $56,261,398,371. This compares with 1,173 bond issues aggregating $58,236,901,332 par value listed on the Exchange on Dec. 31, 1941, with a total market value of $55,033,616,312.

In the following tables listed bonds are classified by governmental and industrial groups with the aggregate market value and average price for each:

Group—	Jan. 31, 1942 Market Value $	Jan. 31, 1942 Average Price $	Dec. 31, 1941 Market Value $	Dec. 31, 1941 Average Price $
U. S. Government (incl. States, Cities, etc.)	41,161,947,888	105.83	40,567,112,161	106.15
U. S. companies:				
Amusements	33,696,361	97.84	44,337,643	97.94
Automobile	13,850,866	102.93	13,820,436	102.77
Building	17,318,455	91.47	16,163,123	85.37
Business and office equipment	14,962,500	99.75	15,187,500	101.25
Chemical	77,251,750	100.46	76,172,375	99.05
Electrical equipment	36,075,000	103.07	36,306,250	103.73
Financial	58,964,518	100.15	58,782,415	99.79
Food	207,773,096	103.96	207,432,788	103.45
Land and realty	8,911,896	64.89	8,648,381	62.97
Machinery and metals	53,150,716	99.22	48,549,255	97.83
Mining (excluding iron)	89,076,589	55.39	85,481,471	53.15
Paper and publishing	59,023,570	100.44	59,145,283	100.48
Petroleum	618,611,137	102.74	601,674,406	102.48
Railroad	6,526,083,216	63.01	6,053,996,263	59.13
Retail merchandising	11,633,476	75.71	11,319,203	73.67
Rubber	70,380,618	95.78	65,929,399	89.53
Ship building and operating	11,314,260	98.63	11,242,560	98.00
Shipping services	16,953,350	61.18	15,858,995	57.06
Steel, iron and coke	553,012,145	100.47	549,631,588	99.84
Textiles	26,039,638	98.09	25,736,800	96.95
Tobacco	40,019,748	118.85	39,866,320	118.40
Utilities:				
Gas and electric (operating)	3,195,285,160	106.68	3,140,749,634	106.36
Gas and electric (holding)	109,297,125	103.62	109,776,250	103.56
Communications	1,194,980,576	106.58	1,197,405,049	106.71
Miscellaneous utilities	81,353,700	55.10	76,351,471	51.68
U. S. companies oper. abroad	100,478,218	52.55	89,132,317	46.61
Miscellaneous businesses	31,475,625	103.20	31,117,500	102.02
Total U. S. companies	13,256,973,309	77.85	12,689,814,675	75.26
Foreign government	1,136,341,591	50.41	1,087,183,473	48.11
Foreign companies	706,135,583	78.66	689,506,003	76.81
All listed bonds	56,261,398,371	95.24	55,033,616,312	94.50

The following table, compiled by us, gives a two-year comparison of the total market value and the total average price of bonds listed on the Exchange:

	Market Value	Average Price		Market Value	Average Price
1939—			1941—		
Dec. 30	$49,919,813,386	$92.33	Jan. 31	$50,374,446,095	$93.0
1940—			Feb. 28	50,277,456,796	92.72
Jan. 31	49,678,905,641	92.02	Mar. 31	52,252,053,607	93.73
Feb. 29	49,605,261,998	91.97	April 30	52,518,036,554	94.32
Mar. 30	50,906,387,149	92.86	May 30	52,321,710,056	94.22
April 30	49,611,937,544	92.48	June 30	53,237,234,699	94.80
May 31	46,936,861,020	87.87	July 31	53,259,696,637	95.04
June 29	47,665,777,410	90.14	Aug. 30	53,216,867,646	94.86
July 31	48,601,638,211	90.96	Sept. 30	53,418,055,935	94.74
Aug. 31	49,238,728,732	91.33	Oct. 31	55,106,635,894	95.25
Sept. 30	49,643,200,867	92.08	Nov. 29	54,812,793,945	94.80
Oct. 31	50,438,409,964	92.84	Dec. 31	55,033,616,312	94.50
Nov. 30	50,755,887,399	93.58	1942—		
Dec. 31	50,831,283,315	93.84	Jan. 31	56,261,398,371	95.24

January Pig Iron Production At 99.3%

The Feb. 12 issue of the "Iron Age" reported that coke pig iron production for January dropped to 4,970,531 net tons from the record output of 5,012,276 tons in December. On a daily basis, output in January fell from 161,686 tons a day in December to 160,340 tons in January. The operating rate for the industry was 99.3% of capacity in January, compared with 101.2% in December.

There were 217 furnaces in blast on Feb. 1, producing at the rate of 159,270 tons a day, compared with 216 in blast on Jan. 1 with a production rate of 162,140 tons. The United States Steel Corp. blew in one furnace and took off one. Independent producers put three in blast and blew out two.

MERCHANT IRON MADE. DAILY RATE—NET TONS

	1942	1941	1940	1939	1938
January	20,085	20,812	16,475	11,875	11,911
February	------	21,254	14,773	10,793	9,916
March	------	23,069	11,760	10,025	9,547
April	------	20,434	13,656	9,529	9,266
May	------	21,235	16,521	7,883	7,203
June	------	21,933	13,662	8,527	6,020
July	------	21,957	16,619	9,404	6,154
August	------	22,578	17,395	11,225	7,403
September	------	21,803	17,571	12,648	12,550
October	------	23,243	18,694	16,409	12,095
November	------	22,690	22,792	16,642	14,793
December	------	23,567	19,779	16,912	10,266

PRODUCTION OF COKE PIG IRON AND FERROMANGANESE—NET TONS

	Pig Iron x 1942	Pig Iron x 1941	Ferromanganese y 1942	Ferromanganese y 1941
January	4,970,531	4,063,695	36,455	35,337
February	------	4,197,872	------	33,627
March	------	4,704,135	------	55,460
April	------	4,334,267	------	56,871
May	------	4,599,966	------	58,578
June	------	4,553,165	------	53,854
Half-year	------	27,053,100	------	293,727
July	------	4,770,778	------	57,710
August	------	4,791,432	------	52,735
September	------	4,716,901	------	46,932
October	------	4,856,306	------	55,495
November	------	4,702,927	------	47,669
December	------	5,012,276	------	48,188
Year	------	55,903,720	------	539,163

x These totals do not include charcoal pig iron. y Included in pig iron figures.

DAILY AVERAGE PRODUCTION OF COKE PIG IRON

	1942 Net Tons	1942 % Capacity	1941 Net Tons	1941 % Capacity	1940 Net Tons
January	160,340	99.3	150,441	95.5	130,061
February	------	---	149,924	95.2	114,189
March	------	---	151,745	96.9	105,500
April	------	---	144,475	91.8	104,567
May	------	---	148,386	93.8	113,345
June	------	---	151,772	95.9	127,297
Half-year	------	---	149,465	94.5	115,844
July	------	---	153,896	97.1	[illegible]
August	------	---	154,562	97.5	136,711
September	------	---	157,230	99.2	139,218
October	------	---	156,655	98.2	143,419
November	------	---	156,764	97.7	146,774
December	------	---	161,686	101.2	146,697
Year	------	---	153,161	96.6	128,276

Retail Prices Advanced Further In January According To Fairchild Publications Index

Retail prices showed the largest monthly advance since September, 1941, according to the Fairchild Publications Retail Price Index. The index at 110.2 (Jan. 3 equals 100) showed a gain of 1.8% during the month of January. This compares with the gain of 0.7% during the previous month. Current prices are 17% above the corresponding period of 1941, and 24% above the low immediately preceding the outbreak of the war in 1939. Under date of Feb. 13, Fairchild Publications' announcement further said:

> Each of the major groups again advanced during the month; the largest increase was recorded in men's apparel, with home furnishings and piece goods following. The smallest gain was in infants' wear, as was the case in December, 1941. Infants' wear also recorded the smallest advance above a year ago, with piece goods and home furnishings showing the greatest rise. This also occurred during the period prior to the outbreak of war in 1939.
>
> Excluding furs, no decreases appeared in the commodities included in the index. The greatest gains during the month were recorded by men's hose, sheets and pillow cases, men's underwear, aprons and housedresses, and men's shirts. This follows the more rapid advance in apparel items which started last month. Cotton piece goods, sheets and pillow cases, and aprons and housedresses also showed the largest advances above a year ago.
>
> In commenting on the fact that the retail price advance was more rapid this month than last month, A. W. Zelomek, economist under whose supervision the index is compiled, pointed out that there were two reasons. One involves the fact that the retail prices are still below a replacement basis, as they have been during most of the time since war began. Wholesale prices of corresponding items have advanced more rapidly. The other reason for a sharper advance during January was the great volume of panic buying on the part of the consumer. Prices at the end of the year reflected the cost of inventories purchased some time previously at lower wholesale levels. During late December and January these inventories were cut into very rapidly, with the result that average costs to retailers increased as replacements were made. The advance in retail prices during the month reflected this fact.

THE FAIRCHILD PUBLICATIONS RETAIL PRICE INDEX
JAN. 3, 1931=100
Copyright 1941 Fairchild News Service

	May 1, 1933	Feb. 1, 1941	Nov. 1, 1941	Dec. 1, 1941	Jan. 2, 1942	Feb. 1, 1942
Composite Index	69.4	94.2	106.2	107.5	108.3	110.2
Piece Goods	65.1	87.3	101.6	103.7	105.0	107.1
Men's Apparel	70.7	89.3	96.5	97.5	98.1	101.1
Women's Apparel	71.8	93.0	105.7	106.9	107.7	109.1
Infants' Wear	76.4	97.6	102.1	103.2	103.7	104.9
Home Furnishings	70.2	95.8	108.5	109.5	110.2	112.7
Piece Goods						
Silks	57.4	69.3	79.8	80.7	81.3	82.1
Woolens	69.2	89.4	99.5	101.2	101.7	104.2
Cotton Wash Goods	68.6	103.3	125.6	129.2	132.0	134.9
Domestic						
Sheets	65.0	93.6	111.4	113.2	114.7	120.8
Blankets & Comfortables	72.9	117.2	124.4	125.3	125.5	123.8
Women's Apparel						
Hosiery	59.2	73.2	86.0	87.8	88.6	89.8
Aprons & House Dresses	75.5	106.6	124.6	127.4	129.5	134.2
Corsets & Brassieres	83.6	92.9	100.1	102.1	103.2	105.2
Furs	66.8	110.3	*138.1	*136.4	*135.9	*134.0
Underwear	69.2	87.0	95.7	97.7	98.8	100.6
Shoes	76.5	88.9	89.6	89.8	90.4	91.0
Men's Apparel						
Hosiery	64.9	87.4	94.8	96.0	96.4	102.4
Underwear	69.6	92.0	102.8	105.5	106.2	110.4
Shirts & Neckwear	74.3	86.0	91.4	91.8	93.1	96.1
Hats & Caps	69.7	83.5	89.1	89.4	89.4	90.8
Clothing incl. Overalls	70.1	92.3	99.2	99.7	100.0	102.2
Shoes	76.3	94.7	101.7	102.6	103.8	104.5
Infants' Wear						
Socks	74.0	103.6	106.3	107.3	107.3	108.8
Underwear	74.3	95.2	100.3	100.7	101.2	102.1
Shoes	80.9	93.9	99.6	101.5	102.5	103.8
Furniture	69.4	104.3	124.7	125.5	126.6	128.6
Floor Coverings	79.9	127.7	138.6	140.4	140.7	143.9
Radios	50.6	53.5	*64.6	*65.6	*65.7	*66.3
Luggage	60.1	76.0	*89.2	*89.7	*89.7	*92.6
Electrical Household Appliances	72.5	79.7	*90.4	*91.1	*91.6	*92.3
China	81.5	94.4	105.1	105.6	106.4	108.5

*The Federal tax of 10% at retail is excluded in the computation of the fur index. The excise taxes on luggage, radios, and electrical appliances are levied on the manufacturers.

Note—Composite Index is a weighted aggregate. Major group indexes are arithmetic averages of subgroups.

January Flour Production Gains

Flour production, according to reports received by "The Northwestern Miller" from plants representing 65% of the total national output, increased during January 248,688 barrels over the previous month and 480,190 barrels over the same month of 1941.

Total production during January was compiled at 6,173,829 barrels, compared with 5,925,141 barrels for the month previous and 5,693,639 barrels for the same month a year ago. All of the major producing sections registered increases over their December, 1941 figures.

The northwestern increase over the month previous was 100,307 barrels and the 1,489,167-barrel January total represented a 283,373-barrel increase over the 1941 total for the same month.

Southwestern production, totaling 2,369,316 barrels in January, was 43,151 barrels over that of the month previous and 198,833 barrels over that of the same month a year previous.

Buffalo mills reported 948,692 barrels produced during January, 20,729 barrels more than the previous month and 70,523 barrels more than the same month a year previous.

Below is a detailed table with comparable figures:

TOTAL MONTHLY FLOUR PRODUCTION
(Reported by mills producing 65% of the flour manufactured in the U. S.)

	January 1942	Previous month	January 1941	January 1940	January 1939
Northwest	1,489,167	1,388,860	1,205,794	1,199,382	1,172,377
Southwest	2,369,316	2,326,165	2,170,483	2,057,669	1,967,695
Buffalo	948,692	927,963	878,169	796,650	816,150
Central West—Eastern Division	527,765	513,977	494,020	509,031	481,287
Western Division	283,091	247,224	229,371	[illegible]	[illegible]
Southeast	40,669	38,953	124,551	130,690	152,401
North Pacific Coast	515,129	481,999	591,251	594,426	544,798
Totals	6,173,829	5,925,141	5,693,639	5,553,674	5,445,717

December Department Store Sales 15% Above Year Ago, Federal Reserve Board Reports

The Board of Governors of the Federal Reserve System announced on Jan. 24 that the dollar volume of October department store sales for the country as a whole was 15% larger than in the corresponding period a year ago. This compares with an increase of 11% for November and a gain of 17% for the full year of 1941 over the same periods of 1940. These figures are based on reports received from each of the 12 Federal Reserve districts. The following tables, issued by the Board, show the percentage changes from a year ago for the country as a whole, for Federal Reserve districts and for leading cities:

DEPARTMENT STORE SALES IN DECEMBER, 1941

Report by Federal Reserve Districts

	% Change from corresponding period a year ago		
Federal Reserve District—	*Dec., 1941	†Nov., 1941	Year 1941
No. 1 (Boston)	+14	+12	+16
No. 2 (New York)	+10	+ 6	+13
No. 3 (Philadelphia)	+16	+12	+16
No. 4 (Cleveland)	+17	+14	+20
No. 5 (Richmond)	+18	+16	+20
No. 6 (Atlanta)	+16	+16	+18
No. 7 (Chicago)	+14	+ 9	+16
No. 8 (St. Louis)	+20	+15	+21
No. 9 (Minneapolis)	+15	+ 5	+11
No. 10 (Kansas City)	+17	+ 6	+15
No. 11 (Dallas)	+17	+13	+18
No. 12 (San Francisco)	+15	+15	+18
U. S. total	+15	+11	+17

*December had one more business day this year than last year. †November had one less business day this year than last year.

Department store sales index for December 1941 (1923-25 average=100) adjusted 111, unadjusted 197. November adjusted 116, unadjusted revised 133.

REPORT BY CITIES

Percentage Change from Corresponding Period a Year Ago

	Dec., 1941	Nov., 1941	Year 1941
Boston District			
New Haven, Conn.	+15	+14	+16
Portland, Maine	+28	+32	+22
Boston, Mass.	+ 8	+ 7	+12
Springfield, Mass.	+19	+18	+20
Providence, R. I.	+17	+12	+18
New York District			
Bridgeport, Conn.	+17	+22	+25
Newark, N. J.	+11	+ 4	+12
Albany, N. Y.	+12	+ 8	+14
Binghamton, N.Y.	+18	+23	+24
Buffalo, N. Y.	+20	+20	+24
Elmira, N. Y.	+35	+35	+34
Niagara Falls, N. Y.	+31	+25	+19
New York City	+ 7	+ 2	+10
Poughkeepsie, N. Y.	+15	+10	+14
Rochester, N. Y.	+16	+14	+16
Syracuse, N. Y.	+20	+20	+21
Philadelphia District			
Trenton, N. J.	+13	+10	+15
Lancaster, Pa.	+22	+23	+19
Philadelphia, Pa.	+15	+10	+16
Reading, Pa.	+21	+12	+18
Wilkes-Barre, Pa.	+19	+19	+17
York, Pa.	+21	+18	+17
Cleveland District			
Akron, Ohio	+21	+20	+28
Cincinnati, Ohio	+13	+11	+16
Cleveland, Ohio	+20	+15	+22
Columbus, Ohio	+14	+ 8	+16
Toledo, Ohio	+15	+12	+17
Youngstown, Ohio	+16	+11	+23
Erie, Pa.	+24	+28	+26
Pittsburgh, Pa.	+13	+13	+16
Wheeling, W. Va.	+17	+28	+23
Richmond District			
Washington, D. C.	+17	+17	+20
Baltimore, Md.	+19	+15	+20
Winston-Salem, N. C.	+ 8	+ 4	+12
Charleston, S. C.	+27	+37	+35
Lynchburg, Va.	+15	+16	+15
Norfolk, Va.	+28	+39	+33
Richmond, Va.	+14	+10	+14
Charleston, W. Va.	+18	+11	+22
Huntington, W. Va.	+13	+10	+19
Atlanta District			
Birmingham, Ala.	+35	+34	+26
Montgomery, Ala.	+15	+15	+15
Jacksonville, Fla.	+16	+15	+25
Tampa, Fla.	+14	*+20	+20
Atlanta, Ga.	+13	*+15	+17
Macon, Ga.	+24	+31	+25
Baton Rouge, La.	+15	+ 5	+14
New Orleans, La.	+14	+15	+16
Jackson, Miss.	+23	+23	+22
Chattanooga, Tenn.	+26	+24	+23
Knoxville, Tenn.	+18	+20	+20
Nashville, Tenn.	+13	+19	+19
Chicago District			
Chicago, Ill.	+10	+ 6	+10
Peoria, Ill.	+14	+ 6	+14
Fort Wayne, Ind.	+28	+19	+27
Indianapolis, Ind.	+18	+11	+19
Des Moines, Iowa	+22	+14	+13
Sioux City, Iowa	+13	+ 8	+11
Detroit. Mich.	+14	+11	+21
Flint, Mich.	— 2	— 3	+16
Grand Rapids, Mich.	+13	+ 3	+15
Lansing, Mich.	+11	0	+22
Milwaukee, Wis.	+18	+18	+21
St. Louis District			
Fort Smith, Ark.	+36	+15	+20
Little Rock, Ark.	+18	+16	+24
Quincy, Ill.	+19	+ 4	+14
Evansville, Ind.	+16	+ 8	+14
Louisville. Ky.	+15	+21	+31
St. Louis, Mo.	+20	+14	+17
Springfield, Mo.	+26	+12	+33
Memphis, Tenn.	+23	+19	+21
Minneapolis District			
(Figures by cities not available for publication)			
Kansas City District			
Denver, Colo.	+14	+ 8	+16
Hutchinson, Kans.	+16	+ 8	+16
Topeka, Kans.	+ 8	— 3	+10
Wichita, Kans.	+30	+13	+23
Kan. City., Kan. & Mo.	+14	+ 7	+15
Joplin, Mo.	+40	+26	+25
St. Joseph, Mo.	+ 7	— 4	+ 8
Omaha, Nebr.	+22	+ 4	+14
Oklahoma City, Okla.	+15	+ 5	+15
Tulsa, Okla.	+26	+11	+17
Dallas District			
Shreveport, La.	+23	+31	+21
Dallas, Tex.	+12	+ 6	+16
Fort Worth, Tex.	+13	+15	+19
Houston, Tex.	+17	+16	+16
San Antonio, Tex.	+23	+19	+24
San Francisco District			
Phoenix, Ariz.	+28	+17	+29
Bakersfield, Calif.	+ 4	+ 5	+ 6
Fresno, Calif.	+ 9	+13	+11
Long Beach, Calif.	+30	+37	+31
Los Angeles, Calif.	+12	+12	+16
Oakland & Berkeley	+14	+17	+14
Sacramento, Calif.	+14	+15	+14
San Diego, Calif.	+21	+23	+32
San Francisco, Calif.	— 3	+ 4	+11
San Jose, Calif.	+ 4	+ 8	+ 6
Santa Rosa, Calif.	+14	+18	+13
Stockton, Calif.	+16	+16	+11
Vallejo & Napa, Calif.	+37	+35	+41
Boise & Nampa, Idaho	+23	+17	+14
Portland, Ore.	+29	+22	+23
Salt Lake City, Utah	+20	+13	+19
Bellingham, Wash.	+23	+11	+15
Everett, Wash.	+24	+30	+27
Seattle, Wash.	+28	+32	+30
Spokane, Wash.	+15	+ 8	+16
Tacoma, Wash.	+20	+17	+32
Walla Walla, Wash.	+13	— 1	+ 4
Yakima, Wash.	+18	+14	+ 9

*Revised.

January Engineering Construction Up

After a slow start, heavy engineering construction turned sharply upward in the last half of January to reach $628,780,000, the top volume reported for any opening month on record, according to "Engineering News-Record" Feb. 12. The total for the five weeks of January averaged $125,756,000 per week, a 7½% gain over the average for January, 1941, and 86½% above the weekly average for the four weeks of December, 1941.

Public construction was responsible for the gains, topping last January by 41%, and gaining 108% over the December average. The private total dropped 71% from the corresponding month last year, and was 15% under last month's weekly average volume.

Federal work climbed 81% over a year ago, and 137% over a month ago; State and municipal volume was 40% below January, 1941, but 19% above December.

Construction volumes for the three months are:

	Jan., 1941 (5 weeks)	Dec., 1941 (4 weeks)	Jan., 1942 (5 weeks)
Total Construction	$584,549,000	$269,689,000	$628,780,000
Private Construction	174,679,000	47,952,000	51,121,000
Public Construction	409,870,000	221,737,000	577,659,000
State and Municipal	135,011,000	54,037,000	80,559,000
Federal	274,859,000	167,650,000	497,100,000

January averages in the various classes of construction compared with those for January, 1941, revealed gains in public buildings, 24%; earthwork and drainage, 1,980%; and unclassified construction, 28%. Losses were on streets and roads, 40½%; industrial buildings, 77%; commercial building and large-scale private housing, 60%; bridges, 54%; waterworks, 7%; and sewerage, 46%.

Comparison of current averages with those for December, 1941, showed increases in public buildings of 73%; industrial buildings, 6%; bridges, 76%; waterworks, 119%; earthwork and drainage, 1,355%; and unclassified construction, 142%. Decreases were in streets and roads, 13%; commercial building and large-scale private housing, 19½%; and sewerage, 21%.

Geographically, Southern construction volume rose 70% over a year ago, and Middle Atlantic climbed 8%. All other sections were below their January, 1941 totals, ranging from 0.4% in the West of the Mississippi states to 29% in the Middle West.

All regions exceeded their December totals. South was 285% higher; Middle West, up 77%; Middle Atlantic, 52½%; New England, 28%; Far West, 26%; and West of Mississippi, 24%.

New Capital

New capital for construction purposes for January, $559,914,000, is 496% above the financing total reported for the corresponding month last year, but 72% below December, 1941, as reported by "Engineering News-Record." The January, 1942, total included $98,614,000 in private investment; $11,300,000 in federal financing of non-federal work; and $450,000,000 in federal appropriations for military construction.

Cottonseed Receipts Again Below Last Year

On Feb. 13 the Bureau of the Census issued the following statement showing cottonseed received, crushed, and on hand, and cottonseed products manufactured, shipped out, on hand, and exported for the 6 months ended with January, 1942 and 1941:

COTTONSEED RECEIVED, CRUSHED, AND ON HAND (TONS)

	Received at mills* Aug. 1 to Jan. 31		Crushed Aug. 1 to Jan. 31		On hand at mills Jan. 31	
	1942	1941	1942	1941	1942	1941
United States	3,667,298	3,917,030	2,760,401	2,879,899	1,037,426	1,075,973
Alabama	202,117	168,448	159,764	143,383	53,526	25,647
Arizona	70,924	63,498	56,863	57,919	14,278	5,587
Arkansas	464,109	494,361	320,161	293,094	168,878	206,822
California	130,820	193,476	91,010	92,333	46,305	104,212
Georgia	216,805	268,483	174,581	236,773	61,140	52,842
Louisiana	76,756	118,642	70,891	102,736	6,390	16,160
Mississippi	541,973	453,904	376,645	286,932	169,354	173,486
North Carolina	202,752	242,163	160,308	195,542	52,180	50,231
Oklahoma	231,204	214,998	195,479	186,110	36,257	29,396
South Carolina	97,172	195,923	89,405	180,117	10,775	16,322
Tennessee	388,562	371,933	259,038	217,171	150,192	155,388
Texas	906,499	998,883	712,158	805,382	221,535	209.248
All other States	137,606	112,318	94,098	82,407	46,616	30,132

*Does not include 130,529 and 39,507 tons on hand Aug. 1 nor 31,900 and 23,347 tons reshipped for 1942 and 1941, respectively. Does include 665 tons destroyed for 1941.

COTTONSEED PRODUCTS MANUFACTURED, SHIPPED OUT, AND ON HAND

Item—	Season	On hand August 1	Produced Aug. 1 to Jan. 31	Shipped out Aug. 1 to Jan. 31	On hand Jan. 31
Crude oil	1941-42	*29,708	851,218	802,939	*181,533
(thousand pounds)	1940-41	37,352	917,768	839,622	176,939
Refined oil	1941-42	†294,005	‡637,945	------	†322,972
(thousand pounds)	1940-41	493,658	721,372	------	483,096
Cake and meal	1941-42	164,444	1,206,894	1,000,774	370,564
(tons)	1940-41	79,501	1,279,558	1,143,218	215,841
Hulls	1941-42	151,439	689,177	610,881	229,735
(tons)	1940-41	20,914	721,464	545,134	197,244
Linters	1941-42	123,154	806,576	784,249	145,481
(running bales)	1940-41	129,340	767,446	645,434	251,302
Hull fiber	1941-42	1,834	19,434	19,951	1,317
(500-lb. bales)	1940-41	1,215	19,759	14,305	6,669
Grabbots, motes, &c.	1941-42	6,183	36,860	20,759	22,284
(500-lb. bales)	1940,41	12,449	29,474	28,670	13,253

*Includes 13,192,000 and 98,266,000 pounds held by refining and manufacturing establishments and 7,859,000 and 23,331,000 pounds in transit to refiners and consumers Aug. 1, 1941, and Jan. 31, 1942, respectively.

†Includes 7,268,000 and 5,162,000 pounds held by refiners, brokers, agents and warehousemen at places other than refineries and manufacturing establishments and 3,903,000 and 4,209,000 pounds in transit to manufacturers of shortening, oleomargarine, soap, etc., Aug. 1, 1941, and Jan. 31, 1942, respectively.

‡Produced from 680,354,000 pounds of crude oil.

Exports And Imports Of Cottonseed Products

In the interest of national defense, the Department of Commerce has decided to discontinue until further notice the publication of statistics concerning imports and exports.

Cost of Living Up 1.4% From Dec. to Jan., According to Industrial Conference Board

The cost of living for wage earners and lower-salaried clerical workers in the United States rose 1.4% from December to January, according to the The Conference Board, New York, which under date of Feb. 13 said that food rose 2.8%, clothing 2.9%, housing 0.2%, and fuel and light 0.1%. Sundries rose 0.3%. The Board's announcement further said:

> The Board's index of the cost of living (1923=100) was 94.5 in January, as compared with 93.2 in December, 92.9 in November, 92.0 in October, 90.8 in September, and 86.0 in January, 1941.
>
> Living costs were 9.9% higher than in January, 1941. Food rose 21.0%, clothing 12.9%, fuel and light 4.6%, sundries 4.4% and housing 2.9%.
>
> Living costs were 12.5% higher than in August, 1939. Since then food has risen 26.4%, clothing 14.6%, fuel and light 7.6%, sundries 5.8%, and housing 4.4%.
>
> The cost of living in January, 1942, was nevertheless only 5.9% higher than in October, 1937, and it was 5.6% lower than the average for 1929.

The following table shows The Conference Board index of the cost of living, by main components, for December and January, with percentage changes:

	Relative Importance in Family Budget	Indexes of the Cost of Living 1923=100		Pct. of Inc. (+) or Dec. (—) from Dec., 1941 to Jan., 1942
Item—		Jan. 1942	Dec. 1941	
*Food	33	95.2	92.6	+2.8
Housing	20	90.1	89.9	+0.2
Clothing	12	82.4	80.1	+2.9
Men's		91.4	87.8	+4.1
Women's		73.4	72.3	+1.5
Fuel and light	5	90.4	90.3	+0.1
Coal		92.6	92.5	+0.1
†Gas and electricity		85.9	85.9	0
Sundries	30	102.5	102.2r	+.0.3
Weighted average of all items	100	94.5	93.2r	+1.4
Purchasing value of dollar		105.8	107.3r	—1.4

*Based on The Conference Board index of food prices for Jan. 15. 1942 and Dec. 15, 1941. †Based upon retail prices of 35 kilowatt hours of electricity, 1,000 cubic feet of natural gas, or 2,000 cubic feet of manufactured gas. r Revised.

FDR Directs Surplus Govt. Workers To War Work

President Roosevelt disclosed on Feb. 13 that he had instructed the heads of all Federal agencies to release surplus personnel so that they may be "effectively channeled into defense work." In his directive, the President, noting that practically all Governmental agencies had extended their work-week to 44 hours, said that those which were adequately staffed for the 39-hour work-week and not confronted with increased work programs, are now overstaffed. He added that "it is imperative that this man-power be immediately capitalized."

At his press conference the same day (Feb. 13), the President said that it was up to Congress to take the necessary steps to eliminate or curtail any so-called non-essential Governmental activities. He stated that Congress had given him directives to carry on certain activities which it considered essential and that, therefore, they would have to decide what functions should be cut to save money in war-time.

The text of President Roosevelt's directive to heads of Federal agencies concerning the effective use of governmental personnel in defense work follows:

> To the heads of all departments, establishments and agencies of the Federal Government:
>
> Subject: Utilization of additional personnel facilities made available by adoption of the 44-hour work week.
>
> The voluntary extension of the work week to 44 hours by practically all agencies throughout the departmental and field services of the government has greatly augmented the man-hours of Federal employment.
>
> This substantial increase in the work week has provided material relief for those agencies which were understaffed to meet their increased work load under the defense program and calls for a re-survey of personnel requirements during the remainder of this fiscal year and for the fiscal year 1943. Obviously those agencies which were adequately staffed on the basis of the 39-hour week, and are not confronted with an increase in work programs, are now overstaffed.
>
> It is imperative that this man power be immediately capitalized and effectively channeled into defense work. This means that agency heads must survey every operational activity and determine those employes who may be promptly released for employment in other agencies. Particularly in Washington this action must be expedited in order to help meet the shortage in personnel and housing and to avoid as far as possible bringing new employes into the city. To the extent that experienced personnel can thus be obtained the housing situation in Washington will be helped and the demand for office space decreased.
>
> I have instructed the Director of the Bureau of the Budget, in cooperation with the executive departments, independent establishments and agencies, immediately to review appropriations for personnel services, departmental and field, and to establish administrative reserves for the remainder of the fiscal year 1942 in proportion to the approximate increase in man hours which are accruing to the respective agencies.

Clarke In New Post

H. H. Clarke, for the past year Director of the News Bureau of the New York State Bankers' Association, has been appointed Assistant Secretary by the Association's Council of Administration, it is announced by Eugene C. Donovan, President.

Eccles Urges Reserve Banks Buy Govts. From Treasury Under War Powers Bill

Endorsement by M. S. Eccles of the provisions in the pending Second War Powers Bill, permitting the Federal Reserve Banks to buy Government obligations direct from the Treasury, was voiced on Jan. 30 before the House Judiciary Committee. The bill was passed by the Senate on Jan. 28, and on Feb. 6 the House Committee approved the bill with minor amendments. The testimony of Mr. Eccles, who is Chairman of the Board of the Federal Reserve System, was made public on Feb. 4. According to special advices Feb. 4 to the New York "Times" from Washington, Mr. Eccles' testimony in favor of the provision contained these points:

1. That it would help to stabilize the market for Government securities.
2. That it would permit control of the interest rate by the Board.
3. That it was an emergency measure to be terminated after the war and to be used by the Board only in the event the market sagged at the time of Treasury offerings, or to prevent undue rises in the market.

In its account of what Mr. Eccles had to say the "Wall Street Journal" of Feb. 5 reported the following from Washington:

Mr. Eccles said that the Reserve Board and the Treasury wanted to remove the restriction against Reserve Bank purchases of Government obligations except in the open market chiefly as an emergency measure. It might come in handy, he said, in case the bond market were unsettled by an international crisis just as the Treasury was ready to sell securities.

However, he added that he expected the Reserve Banks would confine most of their purchases to short-term bills and notes, buying bonds only when necessary to stabilize the market.

"It is designed to assure the Treasury of its needed financing without any hampering without the Treasury being dictated to, in a sense, by the market," the Reserve Board Chairman told the committee. "In a war economy, the markets for practically everything are controlled. Your commodity market is controlled. You have price controls. It certainly would seem to us that the Treasury, with the assistance of the Federal Reserve System, should be in a position, likewise, to exercise some control in the money market situaiton."

Chairman Eccles said that Reserve Bank purchases of U. S. securities directly from the Treasury would strengthen the market by easing the supply of bonds.

The real opposition to giving the Reserve System the authority to buy Federal obligations directly from the Treasury, Mr. Eccles charged, is coming from specialists and "some of the larger banks" engaged in the distribution of Government securities. He conceded that exercise of the authority would keep down high interest rates and interfere with commissions of bond dealers in some instances. But it saves the Government this money, he pointed out.

Mr. Eccles denied charges made by Senator Taft (Rep., Ohio) when the bill passed the Senate, that the measure would eliminate the present system of marketing Government bonds and would contribute to inflation.

"What Senator Taft says, in the first place," Mr. Eccles asserted, "just isn't true."

He explained that the power given the Federal Reserve banks is permissive, that is, the Treasury cannot force the banks to take securities from it. It would be used, in any event, he added, only in emergencies, when the market needs support.

It is no more inflationary for the Reserve banks to purchase from the Treasury directly, he pointed out, than it is for them to purchase in the open market as is now the case. In either case, he said, it is somewhat inflationary because it increases the total supply of funds.

Reporting that Mr. Eccles said that the present relatively low interest rate on Government securities "has been due to the easy money policy pursued by the Government," the "Times" advices, referred to above, added in part:

> "The gold devaluation and the gold that has come in have been great factors in creating the supply of funds, as well as the excess reserves," he said.
>
> Also given as a reason for desiring the power conferred by the provision was the authority by which the Reserve System could control the market for Government bonds, Mr. Eccles said. He added that the Government was interested in protecting the market for the purchasers of defense bonds, as "nothing would be more disastrous to the Treasury financing or to the savers outside of the banks than to have a rapidly declining market."
>
> Use of "indirect" methods of stabilizing the market was undertaken by the Federal Reserve the day after the attack on Pearl Harbor, Mr. Eccles revealed, when the Treasury was offering $150,000,000 in 90-day bills. He had been asked by the committee whether there had been a breakdown in the Government bond market after the beginning of war.
>
> He replied:
>
> "I would not say that there had been a breakdown; no. I would say that the market has held pretty well. The Federal Reserve, of course, has given at different times some substantial support to the market or there would have been a greater decline than there has been at times."

On Jan. 28 the Senate refused to restrict proposed authority in the Second War Powers Bill for the Federal Reserve Banks to buy Government securities direct instead of on the open market. Associated Press advices from Washington indicating this, said:

> It [the Senate] rejected, 51 to 25, an amendment by Senator Taft (R., Ohio) which would have limited any such purchases to 30-day maturities and restricted to $2,000,000,000 the total of direct purchases that could be held by the banks at any one time.
>
> Senator Taft proposed this restriction after withdrawing a motion to eliminate the authority entirely from pending war powers legislation.
>
> Mr. Taft contended that the proposed authority would enable the Government to force the Federal Reserve Banks to buy unlimited amounts of Federal securities at any interest rate the Treasury named, but Senator Glass (D., Va.) and Majority Leader Barkley (D., Ky.) disagreed, asserting that the banks would not be compelled to buy any bonds.
>
> Senator Taft, Senator Vandenberg (R., Mich.) and Senator George (D., G.) told the Senate that permitting the direct sale would give rise to the danger of currency inflation and remove incentive for sound financing.

In the New York "Journal of Commerce" of Feb. 6 it was stated that bankers and Government securities dealers denied that they opposed granting the Reserve Banks power to buy Government securities directly from the Treasury as a war measure, as had been asserted by Mr. Eccles. The paper quoted said:

> Canvass of opinion in banking quarters yesterday failed to disclose such opposition. Some bankers said that they opposed direct sales as a permanent method of financing, but appreciated that it might be necessary from time to time in emergencies. There were some who held that the issue was without importance. These said that they favored the proposal simply in virtue of the fact that the authorities felt that it was necessary.

Reserve Bank's Buying Govts. Favored by ABA

Approval of the provisions of the "Second War Powers Bill," which would permit the Federal Reserve banks to purchase U. S. Government obligations directly from the Treasury instead of through the open market only, provided that authority should terminate with the resumption of peace as provided in the original bill, was voiced by the American Bankers Association in a letter addressed by Henry W. Koeneke, President of the Association, to Senator Van Nuys, Chairman of the Senate Judiciary Committee on Jan. 29, which was released in New York on Feb. 6. Mr. Koeneke is President of the Security Bank of Ponca City. Okla. In his letter, Mr. Koeneke stated that the American Bankers Association "does not oppose this extension of authority to the Federal Reserve System as a war measure. It is of the utmost importance, however," he said, "that there be a definite termination of the authority with the resumption of peace as has been provided for in this bill." The letter of Mr. Koeneke to Senator Van Nuys:

> The "Second War Powers Bill," which we understand is embodied in Senate Bill No. 2208, would permit the Federal Reserve banks to purchase securities which are primary obligations of the United States or fully guaranteed by the United States directly from the Treasury instead of through the open market only, as provided in existing legislation. The bill in its present form provides that this authority will expire automatically six months after the termination of the war emergency, or at such earlier time as the Congress by concurrent resolution, or the President may designate.
>
> The American Bankers Association does not oppose this extension of authority to the Federal Reserve System as a war measure. It recognizes that certain restrictions which normally safeguard the fiscal, monetary, and banking systems are often inoperative in time of war. It is of the utmost importance, however, that there be a definite termination of the authority with the resumption of peace as has been provided for in this bill.
>
> The present provision of law was adopted in the Banking Act of 1935 after careful deliberation and extended hearings. The law should not be changed permanently without equally careful consideration.
>
> These are considerations which you probably have in mind, but the matter is of such great importance that we wanted to be sure you knew the views of the American Bankers Association.

ABA To Hold Credit Clinic In New York

Among the speakers to be heard at the forthcoming credit clinic of the American Bankers Association, to be held March 4, 5 and 6 at the Waldorf-Astoria Hotel in New York City, are Charles B. Henderson, Chairman of the Reconstruction Finance Corporation; Ronald Ransom, Vice-Chairman of the Board of Governors of the Federal Reserve System; Dr. Marcus Nadler, Assistant Director, Institute of International Finance, New York University; Dr. W. Randolph Burgess, Vice-Chairman of the Board, National City Bank of New York; Abner H. Ferguson, Administrator of the Federal Housing Administration, and A. L. M. Wiggins, Second Vice-President of the American Bankers Association and Chairman of its Committee on Federal Legislation, and President Bank of Hartsville, Hartsville, S. C. In announcing these speakers, Henry W. Koeneke, President of the Association, states that the program for the clinic is approaching completion. Mr. Koeneke is President of the Security Bank of Ponca City, Ponca City, Okla.

The clinic will be devoted to credit problems only, Mr. Koeneke says, and will be organized under the three major fields of credit, namely, agricultural credit, consumer credit and commercial credit, and the discussions will naturally be slanted in the direction of credit operation and service under wartime conditions. The program is being arranged to provide for talks by outstanding experts in the morning, with the delegates breaking down into smaller groups in the afternoon for the exploration of the various subjects on the program. In this way it is hoped that each subject will be thoroughly explored during the three days of the clinic.

A feature of the clinic will be the economics panel which has proved so popular in the past few years at the regional conferences of the Association. The participants in this panel on Thursday evening, March 5, will be Dr. William A. Irwin, National Educational Director, American Institute of Banking; Willard E. Atkins, Chairman of the Department of Economics, New York University; A. Anton Friedrich. Director Division of Unified Studies, New York University, and Montfort Jones, Professor of Finance at the University of Pittsburgh.

Plant Conversion No. 1 Problem for Industry

Donald M. Nelson, head of the War Production Board, told American industry that its facilities must be converted to war production or essential civilian needs with increasing speed. His remarks follow:

> Production goals set by the President are high, but the stakes in this struggle—freedom and democracy—are much higher.
>
> These goals must be attained.
>
> Conversion must be the industrial evolution of 1942.
>
> Hitler and his Axis satellites converted years ago. We have only a fraction of the time they enjoyed.
>
> The War Production Board has studied carefully the President's blueprint for victory which calls for the production of 60,000 airplanes. 45,000 tanks. 20,000 anti-aircraft guns and 8,000,000 tons of shipping during 1942.
>
> The Board has been working intensively to translate these production goals into exact requirements in terms of materials, manpower and machines.
>
> This work has progressed to the point where it is now clear that the two-year production schedule can be fulfilled only by sweeping action. The only course open to the War Production Board is to convert many plants now manufacturing peacetime goods to the production of munitions. There is no time to build new plants; there are not enough materials to go around; there is not enough manpower to duplicate our productive resources. Conversion is the only straight, fast road to victory.
>
> This will be our principal goal for the next six months.
>
> Plants which have turned out civilian products can in many cases be adapted to war production, as England discovered after Dunkerque.
>
> The War Production Board has started with conversion programs, now under way in the automobile, refrigerator and typewriter industries. Many other industries have converted part of their facilities due to previous curtailment orders and in such cases a far larger proportion of their facilities must be devoted to war work. Still other industries, which have not produced munitions at all in the past, will be called to Washington in the course of the next few weeks to take on their share of the war job.
>
> Speed is essential, for any lagging in the conversion effort may lead directly to the death of American fighting men.
>
> The Government will help. Field offices will give advice and assistance on subcontracting; the War Production Board's new Division of Industry Operations, with branch chiefs for all industries, will spend conversion of industries and plants.
>
> But industry has a major job to do on its own. American businessmen built the Nation by ingenuity in meeting new problems. Conversion is the biggest problem they have ever confronted.
>
> We must have all-out conversion, for all-out conversion will mean victory.
>
> Conversion is our number one problem.
>
> It is America's job.

FDR Wants Congressmen Who Will Support Govt.

President Roosevelt told a press conference on Feb. 6 that when the country is at war we want Congressmen who, regardless of party, will back up the Government of the United States and have a record of backing it up regardless of party. The President made this statement when asked for comment on a recent speech by Edward J. Flynn, Chairman of the Democratic National Committee, in which he said that the election of a Congress hostile to the President would be the same as a major military defeat. Mr. Roosevelt said he had not read Mr. Flynn's speech but gave his view when told what Mr. Flynn had said.

Doty Elected Ass'n Pres.

Foster W. Doty, Vice-President of the Commercial National Bank and Trust Co. of New York, was elected President of the Corporate Fiduciaries Association of New York City at a meeting held recently.

A. Nye Van Vleck, Vice-President of the Guaranty Trust Co., was elected Vice-President of the Association and E. W. Berry, Trust Officer of the Manufacturers Trust Co., was re-elected Secretary and Treasurer.

The following were elected to membership on the Executive Committee, their terms to expire in 1945: C. A. Allen, Vice-President, Kings County Trust Co.; Baldwin Maull, Vice-President, Marine Midland Trust Co., and Stewart L. De Vausney, Vice-President, Bank of New York.

Dispute Increased Inflationary Powers Would Result From Reserve Bank Purchasing Govts.

With respect to the Congressional authority sought to permit the Federal Reserve Banks to purchase Government bonds direct from the Treasury, the Economist National Committee on Monetary Authorities, disputes the contentions of Marriner S. Eccles, Chairman of the Board of Governors of the Reserve System, that such authority would not result in increased inflationary powers. The Economist National Committee, of which Edwin W. Kemmerer, of Princeton University, is President, has made a survey of the provisions in the pending Second War Powers Bill, permitting such direct buying and according to the New York "Times" of Feb. 9, reported its findings on Feb. 7 to Hatton W. Sumners, Chairman of the House Judiciary Committee. The letter to the latter, signed by Walter E. Spahr, of New York University, Secretary and Treasurer of the Economist Committee, had the following to say, according to the New York "Times" of Feb. 9:

> "It was reported in the press on Feb. 5 that Chairman Eccles (of the Reserve Board) stated before the House Judiciary Committee that if Title IV . . . is passed the Reserve Banks will not be compelled to buy these securities, and such procedure is no more inflationary than open market purchases.
>
> It is most important that both Congress and the public understand that the grant of this power to the Reserve Banks removes all obstructions to a rapid and direct monetization of the Federal debt by the banks, and that this is precisely the path taken by Germany which led her into runaway inflation and the collapse of 1932.
>
> Any one who studies our experience of 1917-1920 should see how easily our Federal Reserve System became almost completely subservient to the Treasury in a time of war financing. Some have called this experience cooperation on the part of the Reserve authorities and the Treasury. The fact is, however, that the Reserve authorities were not only the fiscal agents of the Treasury but thoroughly dominated by it.
>
> Dr. O. M. W. Sprague stated the situation accurately when he said: "The Reserve Board and the officials of the Reserve Banks could offer advice and criticism; they could not decline to do their part in executing the policy of the Treasury." A. C. Miller of the Federal Reserve Board put it as follows: "In brief, the discount policy of the Federal Reserve System was treated as an element of the Treasury's loan policy, the Federal Reserve System virtually ceasing to exercise, for the time being, its normal function of regulating credit. . . . The Federal Reserve Board adopted a policy in order to assist in the war financing which was economically unsound."
>
> W. P. G. Harding, Benjamin Strong and others have described the helpfulness of the Reserve System, under Treasury domination, in similar words. But quite beyond this compulsion of circumstances, sometimes called cooperation, stands section 10, paragraph 6 of the Federal Reserve Act, which says that "wherever any power vested by this Act in the Board of Governors of the Federal Reserve System or the Federal Reserve agent appears to conflict with the powers of the Secretary of the Treasury, such powers shall be exercised subject to the supervision and control of the Secretary." This is very clear English, and there is nothing in the opinion of the Attorney General rendered in 1914 (30 Op. Attys. Gen., pp. 308-314, Nov. 26, 1914) which indicates that this section of the Act does not mean precisely what it says.
>
> Thus, the compulsion of circumstances, our past experience, the Federal Reserve Act, and the lessons learned by other nations, all clearly refute the assertions made by Chairman Eccles before your committee.
>
> The support of the open market by the Reserve banks is a very different thing from acting as a passive or helpless receiver of the Government's securities which are then used by the Reserve banks as illiquid assets against which demand deposits are created or Federal Reserve notes issued.
>
> Let it not be forgotten that after Germany's sad experience with this invitation to disaster, she attempted to protect herself against a repetition of such a tragedy by providing in the first sentence of the German Bank Act of 1924 that the Reichsbank is a bank independent of government control.
>
> The American people should not be forced to endure a similar experience in order to profit by that lesson.

Income Tax Reforms Urged by N. Y. Chamber

At the Budget hearing in the Assembly Chamber at Albany on Feb. 10, Howard Fenney, Director of Research of the Chamber of Commerce of the State of New York, stated that the Chamber has three recommendations to make in connection with the budget. Two are in reference to the State Income Tax law; the other in reference to State economy. He said:

> Before the Legislature approves a budget for the coming fiscal year, the Chamber urges that legislation be enacted (1) to allow the deduction of Federal income tax payments in computing State returns and (2) to allow taxpayers to pay their State income tax in quarterly instalments on dates which will not coincide with Federal tax payments, *both of these amendments to become effective in the payment of taxes covering the year 1941.*
>
> Our organization, in common with others which have been working for these income tax reforms, is aware of the opposition of Governor Lehman to the first of these recommendations.
>
> Despite the position taken by the Governor on the deduction of Federal tax payments, however, the same sound arguments can still be advanced for the repeal of the double tax law. Among these are (a) money which an individual receives but cannot personally use because he is compelled to pay it out in taxes properly cannot be classed as free income; (b) the Federal Government recognizes this principle in allowing the deduction of income taxes paid to the State; (c) the State government recognizes it when it allows the deduction of other taxes paid; (d) New York is one of a minority of only nine States having State income tax laws which refuse to permit the deduction; (e) the imposition of this tax-upon-a-tax is one of the irritants which has driven industry and residents from New York State.
>
> Only two objections to the repeal of the tax have been put forward. One is that it would reduce the State's revenues, which obviously it would, and the second is that the more Federal income tax an individual pays, the more he would benefit by the deduction, which also is true. Both of these objections ignore the fundamental issue of whether or not a tax-upon-a-tax is fair and equitable in principle.
>
> Honesty in taxation is of far greater importance than the question of whether the State can afford it or whether it would benefit one class of taxpayers more than another. If anticipated loss of revenue cannot be made up for wholly by economies, the difference should be made up by the substitution of a sound equitable tax.
>
> Taxpayers have a right to demand frankness and straightforwardness in the tax structure. They know they are not getting it when the State refuses to allow them to deduct a tax they have paid to the Federal Government.
>
> While the 25% emergency reduction in income taxes proposed by the Governor is very welcome, this reduction, like the $5,000,000 proposed reduction in State expenditures, cannot be attributed to State economy. It was made possible by a budget surplus accumulated by over-taxation and by defense and war business boosting private income and business profits. The proposed reduction in State expenditures represents a decrease of less than 2%. Considering the fact that the Nation is at war, that taxpayers must pay the highest taxes in history, that the cost of living has greatly advanced and will go much higher and that everyone is being urged to buy defense bonds, the State's economy contribution to the war effort and its assistance to its taxpayers is miscroscopic.
>
> Our Chamber believes that the Legislature can go considerably farther than the Governor has in pruning down State expenditures and it earnestly hopes that it will. Certainly all of the State's taxpayers will have to cut down their normal expenditures more than 2%. In the case of many taxpayers it means that they will have to reduce their spending for things which they regard as necessary by as much as 10 to 20%.
>
> The Chamber recommends the creation of a temporary State commission to study the State's fiscal affairs and recommend economies—a commission patterned after the Byrd Committee in Congress which pointed out where more than $1,300,000,000 could be saved in Federal expenditures. Such a commission is provided for in the Graves bill (S. Int. 318) now before the Legislature.
>
> The American people are in what promises to be a long period of sacrifices and New York State must do its part by pigeon-holing for "the duration" its slogan, "spending as usual."

Home Loan Bank Meeting

The 1942 stockholders' meeting of the Federal Home Loan Bank of Chicago will be held at the Palmer House in Chicago, on March 21, the member savings, building and loan associations in Illinois and Wisconsin were notified on Feb. 6. Member institutions now number 454, which is 95% more than the number eligible to be represented at the original stockholders' meeting in 1934. In the past eight years the bank has thus mobilized 84% of the total assets of all thrift and home financing institutions in the two States. According to A. R. Gardner, President, institutions with approximately $438,000,000 in assets constitute the bank's membership.

Labor Board Warned Against Wage Raises

Leon Henderson, Price Administrator, has recommended to the National War Labor Board that it rule against general, "substantial" wage increase demands by union labor, because of their inflationary influence, the Associated Press reported. According to these advices, Mr. Henderson addressed a full session of the Labor Board last week, a spokesman for him said, and informed the members that there was grave danger in further increasing costs to industry because, in the spokesman's words, "industry now cannot absorb many more cost increases." The Associated Press dispatch further stated:

> The spokesman declined to comment on whether Mr. Henderson made direct reference to the CIO steel workers' union's demand for $1 a day wage boosts in the Bethlehem and Republic Steel Companies, or to the CIO automobile workers' wage demands on General Motors. The steel case is now before the Board, and being closely watched for its possible effect on future wage policy.
>
> Mr. Henderson is reported to have suggested to the Board that wage increases, if found necessary, might be prevented from having a disastrously inflationary effect if the Board "sterilized" them; that is, if the Board ruled that the increases should be paid in defense bonds or stamps which would not immediately affect the flow of money into the hands of purchasers.
>
> The same views also were reported to have been embodied in a letter from Mr. Henderson to President Roosevelt which Mr. Roosevelt read to the CIO-AFL representatives at the White House last week.
>
> Mr. Henderson was said to have told the Labor Board that general, substantial pay increases would penalize consumers, especially low-income groups, by forcing price advances.

With respect to the report that the President had read a letter from Mr. Henderson to the AFL-CIO delegates, Mr. Roosevelt is said to have indicated at his press conference on Feb. 10 that he had not read any memorandum from any one to the group.

Study Coffee Rationing

The Office of Price Administration at Washington made known on Jan. 30 that it was studying possible allocation of coffee stocks or import licensing to prevent maldistribution of stocks. Price Administrator Leon Henderson said that such controls will be applied if the coffee problem becomes more critical. As a preliminary step in the matter, the OPA is sending out a questionnaire seeking details on the volume of business handled by individual firms. It was explained that the coffee problem is not one of supply, since stocks are considered ample, but rather is it one of restricted flow of the coffee supply and withholding of stocks by primary producers. The OPA attributes this attitude to unfounded reports emanating from trade circles in New York and elsewhere, suggesting the possibility of coffee quota increases and advances in the maximum price ceilings. In order to clarify the situation, Mr. Henderson issued a statement saying that the OPA "does not contemplate any major changes in the coffee price ceiling and none in the price itself." He added that the only two official sources of information on coffee are the Inter-American Coffee Board on quotas and the OPA on prices.

ABA Savs. Division To Survey Operating Cost

A survey of savings operating costs of mutual savings banks and a group of commercial banks with savings departments is being undertaken by the Savings Division of the American Bankers Association, it is announced by C. L. Robey, Chairman of the Division's Subcommittee on Savings Costs. Mr. Robey is President of the Purcellville National Bank, of Purcellville, Va. According to the announcement, the analysis of the mutual savings bank operating costs will be conducted separately from that of the commercial banks. The surveys will be coordinated when they are completed, in order that the two types of banks will be able to compare their costs of operation with each other, as well as to determine their relative costs in comparison with institutions of their own type.

The survey among the commercial banks will be conducted under the supervision of Mr. Robey, and the analysis of mutual savings bank operating costs will be supervised by Bernard Townsend, Vice-Chairman of the Division's Subcommittee on Savings Costs, who is President of the Troy Savings Bank, Troy, N. Y.

Questionnaires will be sent to the participating banks which will enable them to prepare and return figures on their costs of operation. In describing the research project, Mr. Townsend informed mutual savings banks as follows:

> I am convinced that banks may look forward to concrete results on which to base administrative action. The plan of procedure will be sent only to banks indicating a desire to participate. The work will be confidentially conducted in the office of the Savings Division and the results will be released under codes which will indicate the type and size of banks without revealing the identity of any institution.

Stolen Auto Tax Stamps

The theft of motor vehicle use tax stamps in a number of instances has been reported to the Treasury Department, it has been announced. The announcement went on to say:

> The Department has prepared a simple procedure to be followed where a stamp is lost or stolen. It will be necessary for the taxpayer to establish to the satisfaction of the Collector of Internal Revenue that he had purchased an internal revenue stamp and that it had been lost or stolen from the vehicle to which it was attached, whereupon he will be furnished with a statement which will be accepted by all Federal officers as evidence of the fact that the owner of the motor vehicle named thereon has paid the use tax in respect of the vehicle described for the period indicated.

Passenger Cars On Order Jan. 1

Class I railroads and the Pullman Company had 513 new passenger cars on order on Jan. 1, 1942, the Association of American Railroads announced on Feb. 9.

This was an increase of 233, compared with the number on order on Jan. 1, 1941, at which time there were 280. Of the total, Class I railroads had 316 new passenger cars on order on Jan. 1, this year, compared with 231 on the same date one year ago, and the Pullman Company had 197 on order, compared with 49 on Jan. 1, 1941.

Increase Corporate, Individual Taxes Eccles Urges, Favors "Withholding" Tax

Reiterating his views previously enunciated, Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, declared that inasmuch as $9,000,000,000 of additional taxes must be collected in the coming fiscal year, "we must turn first to the corporations whose taxes, especially excess profits taxes, will have to be steeply increased." "It is of equal importance," said Mr. Eccles, "than the base of the individual income tax be widened by reducing personal exemptions so that the income tax will reach down to the subsistence level. From this level," he added "rates must be greatly increased all the way up." To enable the collection of income taxes at the source "before the funds have gone into the spending stream a withholding tax is necessary," said Mr. Eccles, and the amount paid in such taxes he stated "can be deductible from the amount due later in income taxes." Similar views were expressed by Mr. Eccles on Jan. 19, and reference thereto appeared in our issue of Jan. 22, page 332. His Feb. 12 remarks were contained in an address delivered at the Town Hall in New York, before America's Town Meeting of the Air over Station WJZ and the Blue Network. His address at the Town Hall follows:

> I am much more concerned about winning this war than I am about financing it. The problem of financing the war would be comparatively simple if all of us on the civilian front understood as clearly as do our armed forces on the fighting front that our very survival as a nation is at stake. Then the farmers would not be contending for higher prices, labor for increased wages, and business for continued high profits. We would be willing to cut our civilian expenditures to the bone in order to save every dollar that we can. We would readily accept much higher taxes and turn our savings over to the Government by purchasing Defense Bonds. Too many of our people are still spending all of their incomes and even going further into debt to buy more things. The war can never be won—much less inflation avoided—unless we awaken to the grim realities of the life and death struggle in which we are engaged.
>
> The problem of winning this war is a physical, not a financial, one. It is a question of effectively using our man power, raw materials and productive capacity. Half of our national effort must be devoted to the war. Only what is left after the maximum war effort is made will be available for civilian use.
>
> In order to finance the war without inflation, civilian buying must be reduced to fit the diminishing supply of goods and services available for civilian consumption. We are rapidly approaching a national income of approximately $110 billions. About half of that must go for war purposes, leaving the other half for civilian use. The $50-odd billions which the Government requires must be collected from the public in the form of taxes and borrowings. In other words, upwards of 50 billions of civilian dollars must be drawn into the war effort and not left to compete in the market place for the shrinking supply of civilian goods. Otherwise, the rising tide of national income would rapidly bid up prices and precipitate a ruinous inflation.
>
> This entails making—not just talking about — sacrifices. So far, our standard of living is at the highest peak of all time. It must be drastically reduced in order to make the supreme effort that alone will assure victory. The time to make the supreme effort is now. The time to reduce our individual expenditures is now, not after inflation has taken hold. The time for business to accept smaller profits, the time for labor to forego wage increases and for farmers to forego price advances is now. This is the time when we must all contribute our utmost to the common effort and not squabble among ourselves to see who can get the most *out* of it.
>
> Of the more than 50 billions which must be drawn into the war chest in the next fiscal year, it is proposed to collect about half in taxes, the other half from sale of Defense Bonds and other Government securities. As for the *borrowing*, it should come from current incomes of individuals and corporations, thus diverting to war needs funds that otherwise would tend to bid up prices of civilian goods. To the extent that the public fails to divert a sufficient amount of current income into the purchase of Government securities, the Government will be obliged to borrow from the banking system. This process creates additional funds, and since it adds nothing to the supply of goods, it makes for inflation.
>
> As to *taxes*, the present program calls for an increase of $9 billions in the next fiscal year over the amount provided for under present law. These taxes cannot be collected by shifting the load to any one group or class, but only by the widest distribution among all groups of taxpayers, except those whose incomes are no more than enough to maintain health and morale. No matter what our financing program may be, it can be defeated through demands for increased wages, prices and profits.
>
> The hard fact is that the more we produce, for war, the less we can produce for civilian needs. Only a limited and a diminishing volume of goods will be available for the public to purchase. You may be able to increase the dollars in your pay envelope but this will not add to the goods that are offered for sale. We are only fooling ourselves by exchanging more dollars for the same or a smaller amount of goods. That process is known as inflation and spells ultimate ruin.
>
> As for the $9 billions of additional taxes that must be collected in the coming fiscal year, we must turn first to the corporations whose taxes, especially excess profits taxes, will have to be steeply increased. They are the primary recipients of the Government's enormous expenditures. They are the logical primary sources to which we must turn to recapture funds that otherwise tend to go into the spending stream. There is no proposal to end the profit motive, even in wartime. Yet even that sacrifice would not be too great a price to pay to preserve our industries so that when peace comes they will have something left with which to make a profit. Unless existing corporation taxes are sharply increased corporations will have left over after paying 1942 taxes about $3 billions more than they had in 1939. As against this, the war is putting many concerns out of business. Others that have been prosperous in peace will be barely able to survive. Those that are earning large or even moderate profits should be willing to pay substantially higher taxes in this crisis. Until this is done we cannot expect labor to abate its demands for an increased share in these profits.
>
> It is of equal importance that the base of the individual income tax be widened by reducing personal exemptions so that the income tax will reach down to the subsistence level. From this level, rates must be greatly increased all the way up.
>
> In order that some of the income taxes may be collected at the source and before the funds have gone into the spending stream, a withholding tax is necessary. The amount paid in withholding taxes can be made deductible from the amount due later in income taxes. Glaring loopholes in our tax structure which have been widely used as a means of tax avoidance must be closed. We must apply selective excise taxes on an increasing number of articles, thereby curtailing private consumption of critical raw materials.
>
> The measures I have indicated would do away with the necessity for a general sales tax, which reaches into the pockets of those below subsistance level. A sales tax hits the poor harder than the rich because the poor need all their income to buy the necessities of life. A general sales tax would immediately increase prices and the cost of living. It would precipitate wide-spread demands for higher wages to offset the added costs of living. That is the inflation spiral.
>
> The sacrifices involved in the program I have outlined for the individual and corporate taxpayer are, in fact, no sacrifices at all compared to what we are asking of our armed forces on the battle fronts. They are getting no profits for their patriotism. They are risking or giving not their dollars but their lives. They are not on a 40-hour-a-week basis. There is no time-and-a-half for overtime behind the guns in the Philippines, on the high seas, or anywhere else. When those of us on the home front wake up to the fact that we are fighting for our very lives, we will stop talking about the profits, the wages, the prices we can get out of the war. Only then will we really begin to fight. And just one thing is going to win this war—and that is fighting.

Keeps Post As U. S. Banker

Under date of Feb. 5 the New York "Times" reported the following by telephone from Basle, Switzerland:

> Thomas McKitrick, President of the Bank for International Settlements, will retain his post in full agreement with the other members of the bank despite the fact his American nationality is that of a belligerent.
>
> The bank regulations admit of the constitution of a "presidential council" of two neutrals in the event of the President's being requested to relinquish his post, but in view of Mr. McKitrick's excellent management it is understood both the Italian and German commissions requested that he be allowed to retain his post.
>
> Mr. McKitrick is leaving tomorrow for a two-week vacation—his first since the war.

W. H. Boyce Dead

William H. Boyce, former Congressman from Delaware and former Associate Justice of the Delaware Supreme Court, died on Feb. 6 at his home in Dover, Del. He was 86 years of age.

Judge Boyce was a member of the Supreme Court from 1897 to 1909 and again from 1909 to 1921 and was a Democratic member of Congress from 1923 to 1925.

Changes in AAA Program

In order to aid and speed the agricultural war production effort, further changes have been made in the 1942 conservation program of the Agricultural Adjustment Administration in which some 6,000,000 American farmers will participate ,the Department of Agriculture declared. The new amendments are intended to strengthen previous 1942 conservation program changes, which in general have opened the way to greater plantings of essential war crops, and at the same time have provided for maintenance of minimum soil-building requirements, according to the Department's announcement, which also had the following to say.

> Included in the new changes is authority to furnish farmers soybean and castor bean seeds in limited areas of the South and Southwest, thus stimulating production of oil crops where production goals might otherwise be more difficult to reach. This amendment, together with another, providing that full payment will be made on peanut acreage allotments only if at least 80% of the allotment is planted, is expected to help relieve the shortage of fats and oils, imports of which have been greatly reduced since Pearl Harbor. In addition to peanuts grown on allotted acres for both edible or oil purposes, the 1942 Food For Freedom goals calls for 3,400,000 acres of peanuts exclusively for crushing into oil, a total of 5,000,000 acres.
>
> Other changes include:
>
> An 80% provision for potatoes similar to that for peanuts.
>
> A provision removing any deduction for exceeding the rice allotment and substituting in its place a provision requiring that 10 times the payment rate be deducted for each acre by which the rice acreage planted is less than the acreage allotment. The maximum deduction under this provision is limited to the maximum rice payment for the farm;
>
> Another adding rye for pacture to the list of crops which will qualify for meeting the minimum soil conserving acreage requirement;
>
> Two provisions lending more flexibility to wheat and corn allotment regulations, thus assuring ample feed for the livestock production so vital to the war effort of America and her Allies. These provide (1) that if wheat acreage totally destroyed by causes beyond control of the grower is replaced, the original acreage will not be counted as planted to wheat and (2) that corn may be planted on any farm up to 130% of the corn allotment acreage without deduction in payments other than that on corn.

Praises Boy Scouts

President Roosevelt, in his annual message to the Boy Scouts of America, praised the record of the organization during the last critical year and expressed full confidence that the Boy Scouts will effectively meet every request made of them.

The President's message, read by Vice-President Henry A. Wallace in a nation-wide Boy Scout Week broadcast over the National Broadcasting Company's Red Network, follows:

> Fellow Scouts and Scouters:
>
> I have great pleasure in extending congratulations and good wishes on this, our 32nd anniversary. Only compelling circumstances, whose gravity all appreciate, prevent me from addressing you personally, as I have done on so many previous occasions.
>
> The record of Scout service to our country during the last critical year fully justifies the confidence which I expressed in my message to you on Feb. 8 of last year. Much more will be asked of the Boy Scouts as we go forward with our program to preserve our liberty and to bring peace on earth through complete victory over our enemies. I have full confidence that the Boy Scouts will effectively meet every request made of them. Each and every Scout has reason to feel proud of the part he has as a member of Uncle Sam's team to help us win the war.
>
> As one who has been interested in Scouting over many years, it has been most heartening to have so many evidences of the practical values of Scout training as we organize our armed forces for the task ahead of us. We must remember that next to active military service itself, there is no higher opportunity for serving our country than helping youth to carry on in their efforts to make themselves physically strong, mentally awake and morally straight, and prepared to help their country to the full in time of war, as well as in time of peace.
>
> Although we are at war and the immediate emergency situation dominates the life of the nation, the American people should continue to be on the alert to meet their responsibilities to our youth. We must make sure that those volunteer agencies which are supplementing the church, the home and the school by providing training programs that will help equip the present generation to cope with life problems in the difficult days ahead, are maintained to their maximum capacity and effectiveness.

Repeal Of Financial Section Of Neutrality Act Asked

President Roosevelt asked Congress on Feb. 9 for repeal of section 7 of the Neutrality Act of 1939 which, he said, "prevents essential financial transactions between persons within the United States and our co-belligerents." In a message to the Congress, the President said that, in his opinion, "there was never any intention that this section should operate during our belligerency." He added:

> I hope that the Congress will act promptly in this matter to legalize transactions essential in the effective prosecution of the war.

This section prohibits, whenever the President finds that a state of war exists between two foreign powers, the purchase, sale or exchange in this country of bonds, securities or obligations of belligerents and forbids United States citizens to make loans or extend any credit to any belligerent State, or its agency. Mr. Roosevelt proposed in his message that this section be amended to declare it "shall not be operative when the United States is at war."

Lord Beaverbrook Heads British War Production

Lord Beaverbrook has been named Britain's Minister of War Production, a newly created Cabinet post corresponding to that of Donald M. Nelson, head of the United States War Production Board. Prime Minister Winston Churchill told the House of Commons that in the new post, to which Lord Beaverbrook is transferred from the Ministry of Supply, he would exercise general supervision over supply departments and shipbuilding and would concert and co-ordinate all their actions.

Mr. Churchil also said that Lord Beaverbrook will represent Britain in various pooling arrangements with the United States.

The post of Minister of Supply was given to Sir Andrew Rae Duncan.

Says Government Has No Intent to Commandeer Savings; Urges Against "Fear" Withdrawals

Reference to withdrawal of funds from savings banks was made by Chester C. Davis, President of the Federal Reserve Bank of St. Louis, in an address in which he discussed "The Economic Outlook As It Affects the Illinois Farmers," delivered on the University of Illinois Farm and Home Week Program at Urbana, Ill. In directing attention to these withdrawals, and stating that there is no grounds for any fears that the Government plans to confiscate or commandeer these savings, Mr. Davis said:

Now, because it is timely, I ask your indulgence while I drag forth and take a look at one current development in the banking field even though it has nothing to do with the assigned subject.

The report has reached me, as I suppose it has come to others in the money and credit field, that some depositors, particularly those with savings accounts, are withdrawing their deposits in currency and hoarding it in safety deposit boxes or elsewhere. The movement is so senseless and unjustified that I cannot believe it to be really widespread and general. But I have heard enough about it to warrant my discussing it here and at every opportunity.

It is said that these withdrawals are cuased by fear that the National Government is going to tax, or confiscate, or commandeer these savings accounts for investment in defense bonds. There are no grounds whatsoever for these fears. The Government not only has no intention of the sort and won't do it; any such step would directly contradict the policy which the Treasury is following, and must follow, in financing the war.

Bank deposits already finance nearly $20,000,000,000 which the banks have invested in Government securities. There would be no gain to the Government if existing savings on deposit with banks, which the banks in turn have invested in Government securities or loans, were forced into direct investment in defense bonds bought by individual depositors. Banks would be forced to sell on the one hand what the individuals bought on the other.

I can understand why an individual depositor might prefer to invest directly a part of his savings in defense bonds, but I can't for the life of me see how he thinks he is protecting himself or his future by withdrawing currency and sitting on it like an old hen sitting on a doorknob. It must be a hangover from the days when it was possible to hoard gold or gold certificates in anticipation of a rise in the value of gold in terms of currency, such as occurred during and after the Civil War. But no such reason can exist today. Defense bonds, like currency, are non-market-risk obligations of the Government. Defense bonds are redeemable, without loss to the holder. The main difference is that the bonds yield an interest return and currency does not.

What the Treasury really wants is to have more and more defense bonds purchased out of current savings from current earnings and income. That makes sense. The object isn't only to get finances for the war, it is also to reduce the percentage of current income spent in the market for goods at a time when the supply of goods for civilian consumption is being sharply reduced by the conversion of factories and materials to war production.

No, the Government is not going to move in on the past savings of its citizens. I don't thing any of us can be sure that it may not take steps to compel future savings to be made and invested in defense bonds. But there is a vast difference between the two propositions which I hope I have cleared up a little.

In his remarks bearing on the Illinois farmer, Mr. Davis had the following to say in part:

The economic outlook for the Illinois farmer can be considered in three stages: (1) While actual military activities continue; (2) during the period of reconstruction, and (3) in the post-war world.

These are by no means three separate phases to be treated as distinct problems when they arrive. The actions and policies of today set the pattern for the future.

We are now operating as part of a Nation at war. For an indefinite period, probably for years, Illinois farmers will be called on to supply a war demand that is especially heavy for fats and oils, meats, dairy products and certain specialty crops. This means a strong market at good prices. We may expect this even though we hate the idea that it had to be the destructive course of war that enlarged domestic consumption and restored the flow of exports. But these temporary gains will melt away and leave heavy losses behind them unless their causes are clearly seen and comprehended. We must not think we can build a lasting super-structure on the shifting sands of war demand.

When the day comes on which guns fall silent over land and sea, we will be called on for an indefnite period to use our agricultural surpluses in the rehabilitation of a war-torn world. But let us not delude ourselves as to the nature of that demand either. I cannot see anything permanent in this export flow. One day it will come to an end. Even while it lasts, there is only one party who can pay for the goods we ship out to a starving world, and he lives on this side of the Atlantic.

* * *

The position of agriculture in the reconstruction and post-war periods depends partly on how we behave ourselves now, and partly on how successfully we, as a Nation, are able to make the transition back to normal peace-time activities from a condition in which our whole industry is concentrated in war and production for war. If, when that time comes we cannot find employment for our workers in peace-time industry, and thus provide purchasing power in the domestic market, the difficulties of agriculture as well as the rest of the country will be great.

We are in for a period of increasing farm income. Cash farm returns for 1941 are estimated at around $11,600,000,000. For 1942 it is expected that farmers' incomes will approach $14,000,000,000. As I mentioned earlier, the types of products which will be most stimulated by the war demand assure that Illinois farmers will share fully in the increase in farm income in prospect for 1942.

State Bankers To Meet

The 49th annual convention of the New York State Bankers Association will be at the Hotel Astor, New York City, May 24, 25 and 26, it was announced by Eugene C. Donovan, President. This will be the Association's first convention in New York City in 40 years.

Nation-wide Retail Sales Tax Favored

A nation-wide retail sales tax imposed at the point of final sale on all heavy as well as consumer products was recommended to Congress by the New York State Chamber of Commerce at its meeting on Feb. 5 as a means of raising approximately $4,000,000,000 to help to currently defray the costs of the war. The sales tax proposal was part of a report drawn by the Committee on Taxation as a "Federal tax program for 1942" which had as its goal the raising of at least $7,000,000,000 in new revenue for the 1943 budget. In addition to the money produced by the sales tax, the Chamber Committee recommended that an additional billion be raised from corporate and individual income taxes. It was suggested that the means of raising the other two billion should be left to the determination of Congress in the autumn session when it would have "had some months' experience with the productivity" of the proposed sales tax and increased income taxes.

The Chamber report, which was presented by William J. Schieffelin, Jr., Chairman of the Tax Committee, emphasized that it was essential that as much as possible of the costs of the war should be paid currently and that the people were "ready to pay after every non-essential expense has been eliminated." The report added:

> We urge that Congress approve in full the more than $1,300,000,000 economies recommended by the Byrd Committee, and continue efforts to make even further economies."

Opposition of the Chamber to mandatory joint returns for husband and wife and to any increase in excise taxes was reaffirmed in the report, which also opposed consideration of higher social security taxes in the new tax bill. Repeal of the "guesswork" capital stock tax and the related declared value excess profits tax on corporations was recommended to simplify the tax structure and "release dammed-up business" in order that the yield from the drastic new taxes proposed, as well as from existing taxes, would be materially increased. Mr. Schieffelin, in outlining the tax program, suggested that the proposed sales tax should be called a "Victory sales tax," rather than a "War sales tax." His committee favored no total exemption for anything in the Victory sales tax, he said.

Liberty Bell In Vault

The City Council of Philadelphia has unanimously approved the action of Mayor Samuel in accepting from the Insurance Company of North America, the gift of an underground fire-proof and bomb-proof vault to protect the Liberty Bell from bombs fire, explosion or any other hazard. The offer, it is announced, was presented originally to the Mayor by John A. Diemand President of the Insurance Company of North America, as a contribution to national defense in celebration of its 150th anniversary year, the North America having been founded in Independence Hall in 1792.

Charles J. Pommer, President of City Council, and Frederic D. Garman, extolled the company for its patriotism, after Benjamin Rush, Jr., Vice-President of the Indemnity Insurance Co. of North America, explained plans for the proposed shelter. These plans call for placing the Liberty Bell on a platform to be built directly under the present site of the Bell, which can be lowered quickly into the underground vault in the event of any emergency.

Commission Assays Coins

Members of the 1942 Annual Assay Commission met at the Philadelphia Mint on Feb. 11 for the traditional ceremony of testing the fineness and weight of samples taken from the record 1941 coinage. The Commission was convened by Mrs. Nellie Tayloe Ross, Director of the Mint The Director reported to Secretary of the Treasury Morgenthau that 209,682 coins were selected at random under elaborate safeguards to insure fairness. The law requires that of each 2,000 silver coins minted, one be preserved under rigid safeguards for testing by the Commission. With nearly 2,000,000,000 coins produced by the United States Mints in 1941, the "take" for inspection with the greatest ever, said the Treasury Department announcement.

The Commission is one of the oldest institutions in the Government, having been created in 1792 and having met each year since that time.

The Commission, consisting of 11 members appointed by President Roosevelt this year (and which includes three ex-officio members designated by statute) is made up as follows:

Members named by President:

Clarence Powers, President of the Puritan Bank & Trust Co., Meriden, Conn.
Felix Boylan, Vice-President Modern Industrial Bank, New York City.
Allan B. Endicott, member of the Board of Taxes, Atlantic City, N. J.
Mrs. Wayne Coy, Washington.
Mrs. Kate M. Ladd, Far Hills N. J.
William C. Dickerman, American Locomotive Co., New York City.
S. Forrey Laucks, York Safe and Lock Co., York, Pa.
Ralph W. Smith, Chief of the Division of Weights and Measures, Bureau of Standards, Washington.
Vernon L. Brown, Curator of the Chase National Bank Collection of Moneys of the World, Brooklyn, N. Y.
Joseph Moss, attorney, of Philadelphia.
Maurice C. Alperin, President of the Eastern Smelting and Refining Corp., Boston.

The ex-officio members are:

Judge William H. Kirkpatrick, of the United States District Court, Philadelphia.
Preston Delano, Comptroller of the Currency.
Joseph Buford, assayer, United States Assay Office, New York.

New Alloy Steels To Speed War Output

Four completely new series of alloy steels designed to make the Nation's limited reserves of strategic metals go further and help build more guns, tanks, battleships and airplanes were announced by the American Iron and Steel Institute.

In making the new steels, producers will use less virgin chromium and nickel, and more of these alloys in the form of scrap recovered from steel previously produced, the Institute said.

Details of new steels are announced in a booklet entitled, "Possible Alternates for Nickel, Chromium and Chromium-Nickel Construction Alloy Steels." The booklet was prepared at the request of the Office of Production Management, which has been succeeded by the War Production Board.

The use of alternate steels, the booklet states, may make necessary some changes in established methods of fabrication or heat treatment procedures, or both, or may even make necessary some changes in engineering design of the product affected.

Solid Fuels Committee

Secretary of the Interior Ickes, in his capacity as Solid Fuels Coordinator, has appointed an Industry Committee on Solid Fuels "to advise on the coordination of the nation's fuel supply and to meet war-time needs." Those appointed represent the coal industry, transportation and mine labor. Mr. Ickes added that others representing the public interest will be named lated. The committee was formed, Mr. Ickes said, in compliance with President Roosevelt's request that steps be taken to assure an adequate supply of solid fuels where and when needed. Those appointed are as follows:

Bituminous Coal Producers—George W. Reed, Vice-President, Peabody Coal Co., Chicago; Charles O'Neil, Barnes & Tucker Co., New York City; H. T. Debardeleben, President, Debardeleben Coal Co., Birmingham, Ala.; and O. L. Alexander, President, Pocahontas Fuel Co., New York City.
Anthracite Producers—Charles Huber, Chairman of the Board, Glen Alden Coal Co., New York City; James H. Pierce, President, East Bear Ridge Co., Scranton, Pa.
Coke—D. M. Rugg, Vice-President, The Koppers Co., Brooklyn.
Wholesale Distributors—H. C. Rogers, Sales Manager, Hickman & Williams Co., Cincinnati.
Retail Distributors—James L. Newbold, Malcolmson Coal Co., Detroit.
Tidewater Dock Operators—R. L. Bowditch, President, C. H. Sprague & Son Co., Boston.
Great Lakes Dock Operators—John A. Maher, Manager Mayer Coal Bureau, St. Paul, Minn.
Railroad Transportation—J. J. Pelley, President, Association of American Railroads, Washington, and W. C. Kendall, Chairman, Car Service, Association of American Railroads.
Transportation Other Than Railroad—Lachlan Macleay, President, Mississippi Valley Association, St. Louis, Mo.
Mine Labor—Percy Tetlow, Technical Adviser, United Mine Workers of America, Washington, and Thomas H. Kennedy, Secretary-Treasurer, United Mine Workers of America, Washington.

1941 Exchange Sales Down

The Securities and Exchange Commission announced that the market value of total sales on all registered securities exchanges for the year 1941 amounted to $7,603,044,033, a decrease of 21.8% from the market value of total sales for the year 1940. Stock sales, excluding right and warrant sales, had a market value of $6,233,606,530, a decrease of 25.8% from 1940. Bond sales were valued at $1,363,308,399, an increase of 3.8% over 1940. The market value of right and warrant sales for 1941 totaled $6,129,104, involving 6,898,823 units. The Commission's announcement further said:

> The volume of stock sales, excluding right and warrant sales, for 1941 was 303,134,844 shares, a decrease of 18.5% from 1940. Total principal amount of bond sales for 1941 was $2,530,066,482, an increase of 21.6% over 1940.
>
> The two leading New York exchanges accounted for 93.2% of the market value of total sales, 91.7% of the market value of stock sales and 99.8% of the value of bond sales on all registered securities exchanges.
>
> The market value of total sales on all exempted securities exchanges for the year 1941 amounted to $8,301,280 an increase of 7.1% over 1940.

Unemployment Halved In 1941, Says Board

Unemeployment last year dropped to the lowest level since 1930, according to estimates released by the Division of Industrial Economics of The Conference Board on Feb. 14. The average number of unemployed is estimated at slightly less than 3,500,000, or fully 50% below the comparable 1940 total of 7,800,000. During the past year, 937 of every thousand gainful workers in the labor force were employed, in contrast to only 766 per thousand in 1933, 834 in 1939, and 857 in 1940, said the Board, which also had the following to say:

Almost 5,000,000 more persons found jobs during 1941 than in 1940. About 3,700,000 of these were added to civilian industries, while an additional 1,100,000 were brought into the armed forces. The greatest gain came in manufacturing, in which employment averaged 13,200,000 last year as compared with 10,500,000 in 1939, and 11,300,000 in 1940. Employment in construction also rose sharply from 1,900,000 in 1940 to 2,600,000 in 1941, a gain of almost 37%. The sharpest percentage increase, however, took place in the armed forces, with approximately three times as many men under arms as in 1940.

Agriculture was the only major industry in which the level of employment remained lower than in earlier years. The average number engaged in agriculture has moved steadily downward from its 1935 level of 11,253,000. The Board's estimate of 10,271,000 engaged in agriculture last year is the lowest level of farm employment since the World War.

Trends In December

Slight decreases were reported in the number engaged in manufacturing, construction and transportation in December, 1941. These were fully offset by a normal rise in employment in trade and distribution to meet increased December holiday volume. Excluding agriculture and the armed forces, the number reported in total industrial employment is estimated at 40,793,000, as compared with 40,732,000 in November and 40,890,000 in September. Agricultural employment fell to a new low of 8,700,000. At the peak of operations in June, almost 11,800,000 family and hired workers were employed on the farms.

As a result of the continued contraction in agriculture total unemployment increased for the third consecutive month despite the high level of industrial employment and the continued expansion of the military forces. The total number without jobs in December is estimated by The Conference Board at 3,200,000, as compared with 2,800,000 in November and 1,700,000 in October. The December total was the largest since April, 1941. In December, 1940, unemployment amounted to 7,300,000, and in December, 1939, it was 9,600,000.

All the major industrial groups reported lower employment in December than in November with the exception of the trade and service industries. Employment in manufacturing is estimated at 13,831,000, as against 13,591,000 in October and 13,890,000 in November. In the five basic industries (minerals, manufacturing, construction, transportation and public utilities) the number at work was almost 500,000 lower than in October and about 350,000 below November.

Government Emergency Employment

The number reported engaged in WPA, CCC and NYA (Out-of-School) activities has been cut by more than a third during the past three years. This emergency labor force averaged 1,900,000 in 1941 whereas it had previously reached almost 3,000,000 in 1939 and 2,500,000 in 1940. The December total of 1,463,000 was the lowest of any month in 1941.

The Board's estimates of average annual employment and unemployment for 1939-41 and monthly estimates for the last quarter of 1941 are shown in the attached table:

Employment and Unemployment, December 1941, and Annual Averages*

	Average			December		1941		
	1939	1940	1941‡	1939	1940	October	November‡	December‡
Total unemployment	8,916	7,787	3,442	9,551	7,263	1,672	2,796	3,228
Total employment (including armed forces)	44,872	46,546	51,342	44,499	47,282	53,240	52,152	51,758
Agriculture	10,618	10,443	10,271	8,641	8,614	10,420	9,349	8,665
Forestry and fishing	.198	208	215	198	201	223	209	203
Total industry	15,639	16,854	19,711	16,515	18,271	20,918	20,798	20,457
Extraction of minerals	707	756	758	773	764	810	806	804
Manufacturing	10,517	11,288	13,198	11,280	12,122	13,951	13,890	13,831
Construction	1,610	1,907	2,606	1,579	2,441	2,810	2,791	2,545
Transportation	1,871	1,948	2,134	1,942	1,976	2,300	2,269	2,238
Public utilities	934	956	1,015	940	968	1,047	1,042	1,039
Trade, distribution and finance	7,511	7,631	7,843	8,082	8,197	7,980	8,047	8,403
Service industries (including armed forces)	9,978	10,432	12,188	10,092	10,951	12,539	12,589	12,861
Miscellaneous industries	928	978	1,113	972	1,048	1,161	1,161	1,169
Emergency employment†								
WPA, CCC, and NYA (out-of-school)	2,959	2,498	1,926	2,730	2,447	1,472	1,503	1,463

*Revised series. For comparable employment figures see "The Conference Board Economic Record," Oct. 11, 1941, pp. 399-402; for unemployment, "The Conference Board Economic Record," Dec. 24, 1941, pp. 557-560. †Not included in employment total. ‡Preliminary.

Steel Mills Annual Capacity At Record High In 1941—Further Expansion Under Way

The steel industry of the United States increased its annual producing capacity in 1941 by 4,418,000 net tons to a new record total of 88,570,000 tons, according to the American Iron and Steel Institute. At the beginning of 1941 the Nation's steel capacity was rated at 84,152,000 tons. The Institute also reports as follows:

Since the beginning of 1940 installations of new equipment have raised steel capacity by 6,950,000 tons. The increase in the last six months of 1941 was 2,421,000 tons. Further expansion in capacity is under way.

Pig iron and coke capacity of the steel industry was also enlarged to new record totals last year.

Blast frunaces producing pig iron had a total capacity of 60,394,000 net tons at the beginning of this year. This represented a gain of 2,784,000 tons last year.

The gain in pig iron capacity last year reflected the addition of five new blast furnaces, and the return to service of five long idle furnaces which have been rebuilt. Several million tons are being added to pig iron capacity this year.

Coke capacity was increased to 54,532,000 tons as of Jan. 1, 1942. This was a gain of 1,564,000 tons over the capacity of 52,968,000 tons on June 30, 1941, when this figure was issued for the first time.

Last year's increase in steel capacity brought the total over 21% above the 1929 capacity of 72,985,000 tons.

The gain for last year was accounted for by large increases in open hearth and electric furnace capacity for making steel.

Additional open hearth capacity totled 3,542,00 tons, bringing the total of such capacity to 78,107,000 at the beginning of 1942.

Electric furnace capacity was increased by 1,151,000 tons last year to a new peak of 3,738,000 tons. This represented a gain of nearly 45% last year in the capacity of electric furnaces, which are used chiefly in the production of high quality alloy steels. Such capacity has been increased nearly 99% from the total of 1,883,000 tons at the beginning of 1940.

Bessemer steel capacity declined slightly last year from 6,997,00 tons to 6,721,000 tons at the end of the year.

FDR Asks More Lend-Lease

President Roosevelt asked Congress on Feb. 10 to appropriate $5,430,000,000 to meet the lend-lease aid requirements of those countries fighting the Axis, which are not otherwise provided for, such as agricultural and industrial commodities, storage facilities, services, etc. A breakdown of the purposes for which this fund is asked is as follows:

Agricultural, industrial and other commodities, $3,567,115,000.

Vessels and ships, $734,420,000.

Necessary services and expenses, $680,000,000.

Testing and reconditioning of defense articles, $208,000,000.

Trucks and other vehicles, $129,015,000.

Facilities and equipment, $111,450,000.

According to a letter of Harold D. Smith, Director of the Budget, recommending the appropriation, "the estimate is the first submitted by the lease-lend administrator since the declaration of war and reflects the recent change in the method of providing funds for defense aid. It has been prepared after consultation with representatives of the governments of countries entitled to defense and clearance has been obtained from the War Production Board."

Direct cash appropriations for the lend-lease program total $12,985,000,000, but to this figure should be added various sums set aside indirectly in deficiency supply bills for the Army, Navy and air forces. It is estimated that these latter authorizations to the Allied nations might run as high as $10,000,000,000, bringing total aid to around $30,000,000,000.

SEC Amends Rule

The Securities and Exchange Commission announced the adoption of an amendment to Rule 12-16 of Regulation S-X so as to make it clear that Note 5 to the schedule therein prescribed requires information relative to rents and royalties only if the aggregate amount thereof is significant. The Commission also states that Rule 5-04 of Regulation S-X was also amended to make it clear that it is necessary to file Schedule XVII — Income from Dividends—in support of each profit and loss statement filed. Since the schedule also calls for information as to the amount of the equity of the company in the net profit and loss of its affiliates, the schedules required to be filed even though no dividends from such investments are reported in the profit and loss statement for the period of report. A similar amendment was made to Rule 6-04 of Regulation S-X.

Blocked Account Paying Of Am. Shares Restricted

The Treasury Department has issued Public Circular No. 14 which prohibits the purchase, without special license, for any blocked account of more than 1% of the outstanding shares of any one class of any corporation. The purpose of this restriction, said the announcement, is to make doubly sure that the Treasury Department may deal specifically with any attempt on the part of blocked nationals to utilize Treasury Department licenses for the purpose of acquiring a substantial interest in American corporations. The Treasury's announcement added:

> Public Circular No. 14 also simplifies and makes uniform the various outstanding reporting requirements relating to the purchase and sale of securities pursuant to licenses issued under the freezing order. The circular prescribes a new form (TRF-4) which must be filed in any case where securities are purchased or sold under a Treasury Department license involving amounts exceeding the limitations contained in Public Circular No. 14. Thus, if securities are purchased or sold under the authorization of one of the general licenses which permit transactions on behalf of the neutral countries of Europe and their nationals, a report on TRF-4 is required to be filed. The use of the new form will facilitate enforcement of the 1% limitation mentioned above.
>
> Provision is made in the public circular for a 15-day period during which brokerage houses and banks may adjust their records so that they may comply with the new requirements.

Restrict Natural Gas Use

In order to assure adequate supplies of natural gas for war production, the War Production Board on Feb. 15, ordered curtailment, effective March 1, in consumption of natural gas and mixed natural and manufactured gas in 17 States and the District of Columbia. The order does not apply to companies distributing only artificial or manufactured gas.

At the same time, the WPB directed the gas companies throughout the country to take steps necessary to obtain maximum supply if and when a shortage exists or becomes imminent in the area they are serving.

The gas curtailment order in the 17 States does not apply to present uses of existing customers. The restrictions apply solely to gas heating equipment and do not affect cooking stoves or refrigerators.

In the 17 States affected, gas companies are prohibited from delivering gas for heating new homes, stores, factories, or other buildings unless the heating equipment has been installed prior to March 1 or the equipment was specified in the construction contract and the building foundation was completed before that date. In addition the companies may not deliver gas for the operation of heating equipment which has been converted to gas from some other fuel unless such conversion is completed within 10 days from the issuance of the order.

Sections subject to the order are Alabama, except for the area served by the United Gas Pipe Line Co.; Arkansas, in the area served by the Mississippi River Fuel Co.; California, District of Columbia, Georgia, Illinois, Indiana, Kentucky, Maryland, Michigan, Mississippi, except the area served by the United Gas Pipe Line Co.; Missouri, New York, Ohio, Pennsylvania, Tennessee, Virginia, and West Virginia.

SEC Changes ICC Forms

The SEC has announced the adoption of minor amendments to Forms 12-K and 12A-K. Companies which report to the Interstate Commerce Commission on Form A are permitted, in connection with reports to the SEC on Forms 12-K and 12A-K, to file certain selected schedules in lieu of a complete Form A. The purpose of the amendments is to revise the selected schedules so as to conform to certain changes made in Form A of the Interstate Commerce Commission for the year ended Dec. 31, 1941. Further explanation of the changes were given by the Commission as follows:

> For several years the Commission prepared an "Extract from Annual Report Form A," containing only the selected schedules required to be furnished with annual reports on Forms 12-K and 12A-K. However, this practice has been discontinued and no "Extract from Annual Report Form A" is available for reports covering the fiscal year ended Dec. 31, 1941.
>
> The Commission will furnish copies of Form A to any registrant which notifies the Commission of the exact number of copies required and the names of the companies for which they will be needed. Printed copies of the various other forms of the ICC and the Federal Communications Commission are available and will be furnished by the SEC to any registrant which desires to use them and which notifies the Commission of the exact number of copies which it will require and the names of the companies for which the copies will be needed.

Cost Of Food For Britain

Agricultural commodities delivered to the British Government for lend-lease shipment totaled more than 3,311,000,000 pounds up to Jan. 1, 1942, the Department of Agriculture announced. Total cost of these commodities, delivered at shipping points since the operations started in April, 1941, was over $367,000,000. The Department added that over 660,000,000 pounds of food and other farm products were delivered for shipment during December, costing more than $67,000,000. It further stated:

> Animal protein products have led the list in terms of dollar value since Great Britain turned to the United States as the main source of supplies formerly obtained from the Low Countries. Cumulative value of all dairy products and eggs totaled about $114,000,000; meat, fish and fowl, over $90,000,000; fruits, vegetables and nuts, more than $39,000,000; lard, fats and oils, over $26,000,000; grain and cereal products, about $18,000,000; and miscellaneous foodstuffs, including numerous concentrates and vitamins, accounted for over $2,200,000. Non-foodstuffs, such as cotton, tobacco, vegetable seeds and naval stores, totaled about $77,000,000.
>
> The commodities delivered for lend-lease shipment to the British from the beginning of the program in April to Jan. 1, many of them in highly concentrated form, would fill more than 69,100 freight cars and make up a train stretching for a distance of more than 575 miles.
>
> Delivery of more than 140,000,000 pounds of evaporated and dry skim milk during the month of December was greater than in any previous month. Movement of meats, cheese, beans and dried and canned fruits also showed marked increases.

Production And Utilization Of Electric Energy In The United States For Nov. And Dec., 1941

The production of electric energy for public use during the month of December, 1941, totaled 15,353,703,000 kilowatt-hours according to reports filed with the Federal Power Commission. This represents an increase of 16.5% when compared with December, 1940.

The average daily production of electric energy for public use for the fifth consecutive month reached an all-time high which for December was 533,115,000 kilowatt-hours. This is an increase of 2.3% when compared with the average daily production during the month of November, 1941, and is the fifth consecutive time that the average daily production has exceeded the half billion kilowatt-hour mark.

The effect of somewhat more normal stream-flows during the month is reflected in the table below comparing production by hydroelectric plants during December with production for November.

HYDROELECTRIC PRODUCTION—DECEMBER, 1941, COMPARED WITH NOVEMBER, 1941

Region—	% Change Dec., 1941, Over Nov., 1941	Region—	% Change Dec., 1941, Over Nov., 1941
New England	+ 1.2	East South Central	+26.4
Middle Atlantic	+23.4	West South Central	—16.6
East North Central	—14.1	Mountain	— 7.8
West North Central	—15.5	Pacific	+15.7
South Atlantic	+55.6	United States Total	+10.1

The production by water power in December amounted to 4,477,827,000 kilowatt-hours, or 29.2% of the total output for public use.

Total production for public use for the twelve-month period ending Dec. 31, 1941, was 164,946,000,000 kilowatt-hours as compared with a production of 142,266,000,000 kilowatt-hours for the twelve-month period ending Dec. 31, 1940, representing an increase of 15.9% over the previous period.

The movement of electric energy across state lines totaled 3,032,486,000 kilowatt-hours or 19.8% of the amount generated for public use.

The net imports from Canada totaled 87,303,000 kilowatt-hours and the net exports to Mexico were 1,961,000 kilowatt-hours, leaving a net balance of 85,342,000 kilowatt-hours imported to the United States.

Reports were received during January, 1942, indicating that the capacity of generating plants in service in the United States on Dec. 31, 1941 totaled 44,024,219 kilowatts. This is a net increase of 236,182 kilowatts over that previously reported in service on Nov. 30, 1941. Occasionally changes are made in plants which are not reported promptly so that the figures shown for any one month do not necessarily mean that all the changes were made during that month but that they were reported to the Commission since the previous monthly report was issued.

PRODUCTION OF ELECTRIC ENERGY FOR PUBLIC USE IN THE UNITED STATES
(In Thousands of Kilowatt-hours)

	By Water Power		By Fuels		Total	
	1941		1941		1941	
Division—	November	December	November	December	November	December
New England	201,381	203,822	658,192	751,322	859,573	955,144
Middle Atlantic	570,623	704,406	2,859,287	3,033,381	3,429,910	3,737,787
East North Central	320,786	275,615	3,088,280	3,389,575	2,409,066	3,665,190
West North Central	276,697	233,913	585,274	666,580	861,971	900,493
South Atlantic	243,469	378,939	1,592,085	1,604,419	1,835,554	1,983,358
East South Central	350,146	442,595	402,286	403,055	752,432	845,650
West South Central	70,124	58,472	696,553	735,806	766,677	794,278
Mountain	730,133	673,480	128,025	143,846	858,158	817,326
Pacific	1,302,230	1,506,585	157,798	147,892	1,460,028	1,654,477
United States Total	4,065,589	4,477,827	10,167,780	10,875,876	14,233,369	15,353,703

Production of electric energy by electric railways, electrified steam railroads, and publicly owned non-central stations, not included above was as follows:

(In Thousands of Kilowatt-hours)

	By Water Power		By Fuels		Total	
	1941		1941		1941	
Division—	November	December	November	December	November	December
United States Total	20,188	22,147	227,491	259,094	247,679	281,241

AVERAGE DAILY PRODUCTION OF ELECTRIC ENERGY*
(In Thousands of Kilowatt-hours)

	Water Power		Fuel		Total		Percent Change
Month	1941	1940	1941	1940	1941	1940	1941/1940
January	158,661	110,145	304,274	306,979	462,935	417,124	11.1
February	150,455	118,468	313,581	288,000	464,036	406,468	14.2
March	153,435	136,898	304,422	258,050	457,857	394,948	15.9
April	171,042	161,089	279,802	230,841	450,844	391,930	15.0
May	147,914	159,031	319,814	237,785	467,728	396,816	17.9
June	145,123	152,060	338,158	257,913	483,281	409,973	17.9
July	151,609	143,845	334,190	267,905	485,799	411,750	18.0
August	136,754	136,206	363,708	284,575	500,462	420,781	18.9
September	143,031	140,121	365,046	288,713	508,077	428,834	18.5
October	143,653	125,155	371,623	315,003	515,276	440,158	17.1
November	148,923	147,145	372,446	311,274	521,369	458,419	13.7
December	155,480	154,210	377,635	309,627	533,115	463,837	+14.9

***Computed by dividing the monthly production by the number of equivalent week days in the month in question.**

Coal Stock And Consumption

Coal consumption by electric power plants was 6,156,018 tons in December, 1941, which is an increase of 388,310 tons from the November, 1941, consumption, and an increase of 1,222,010 tons or 24.8% over the consumption for December, 1940. Of this total 5,915,916 tons were bituminous coal and 240,102 tons were anthracite. These are increases of 6.9% in the consumption of bituminous coal and 1.8% in the consumption of anthracite when compared with the preceding month which had one less day.

The consumption of fuel oil during December, 1941, totaled 1,937,905 barrels as compared with 1,731,316 barrels during November or an increase of 11.9%. During the same interval the consumption of gas increased to 17,109,075 MCF in December from 16,634,442 MCF in November, representing an increase of 2.9%.

The total stock of coal on hand at electric utility power plants on Jan. 1, 1942 was 14,078,010 tons. This was an increase of 2.3% as compared with Dec. 1, 1941, and an increase of 12.2% as compared with Jan. 1, 1941. Of the total stock, 12,820,532 tons were bituminous coal and 1,257,478 tons were anthracite, an increase of 3.2% for bituminous coal and a decrease of 6.1% for anthracite when compared with Dec. 1, 1941.

In terms of days' supply, which is based on the rate of consumption for the month in question, there were sufficient stocks of bituminous coal on hand Jan. 1, 1942, to last 67 days and sufficient anthracite for 162 days' requirements. These may be compared with 67 and 170 days' supply respectively for the previous month.

Market Value Of Stocks On New York Stock Exchange Higher In January

As of the close of business Jan. 31, 1942, there were 1,237 stock issues aggregating 1,466,994,284 shares listed on the New York Stock Exchange, with a total market value of $36,228,397,999, the Stock Exchange announced on Feb. 5. This compares with 1,232 stock issues, aggregating 1,463,295,021 shares listed on the Exchange on Dec. 31, 1941 with a total market value of $35,785,946,533 and with 1,228 stock issues, aggregating 1,455,212,004 shares listed on the Exchange on Jan. 31, 1941 with a total market value of $40,279,504,457.

The Stock Exchange's announcement added:

> As of the close of business Jan. 31, 1942, New York Stock Exchange member total net borrowings amounted to $324,558,799. The ratio of these member borrowings to the market value of all listed stocks on that date was, therefore, 0.90%. As the above figure includes all types of member borrowings, these ratios will ordinarily exceed the precise relationship between borrowings on listed shares and their total market value.

In the following table listed stocks are classified by leading industrial groups with the aggregate market value and average price for each:

	Jan. 31, 1942		Dec. 31, 1941	
Group—	Market Value $	Average Price $	Market Value $	Average Price $
Amusement	266,590,352	12.60	268,580,445	12.83
Automobile	2,559,122,040	21.42	2,448,650,776	20.49
Aviation	548,835,197	16.75	546,500,764	16.85
Building	400,180,415	18.37	377,874,266	17.35
Business and office equipment	249,451,552	21.24	253,547,514	21.67
Chemical	5,043,609,496	52.94	5,355,668,266	56.23
Electrical equipment	1,198,424,467	29.93	1,180,815,850	29.49
Farm machinery	570,720,024	43.55	546,319,188	41.69
Financial	669,609,557	13.09	649,999,073	12.68
Food	2,338,094,636	25.10	2,374,360,761	25.48
Garment	39,072,889	23.33	39,237,391	23.43
Land and realty	15,212,179	3.12	13,648,700	2.80
Leather	196,440,271	23.41	177,251,055	21.13
Machinery and metals	1,232,776,189	12.12	1,175,138,099	17.27
Mining (excluding iron)	1,430,120,290	24.19	1,427,202,304	24.14
Paper and publishing	354,890,271	16.02	342,613,256	15.47
Petroleum	3.827,396,430	19.92	3,908,427,768	20.30
Railroad	2,926,952,786	25.95	2,642,172,870	24.03
Retail merchandising	1,821,113,642	24.83	1,810,850,388	24.69
Rubber	270,691,033	25.56	247,084,151	23.33
Ship building and operating	93,597,506	21.84	95,771,573	22.34
Shipping Services	9,475,632	5.16	7,324,325	3.99
Steel, iron and coke	2,097,073,010	41.26	2,086,811,348	41.06
Textiles	331,484,246	23.63	310,542,841	22.42
Tobacco	1,126,370,263	42.13	1,072,194,112	40.10
Utilities:				
Gas and electric (operating)	1,615,323,725	17.48	1,580.556.526	17.11
Gas and electric (holding)	751,008,801	7.84	730,367,326	7.62
Communications	2,862,254,492	68.62	2,827,149,096	68.68
Miscellaneous	71,600,855	9.76	62,807,128	8.62
U. S. companies operating abroad	501,730,204	15.24	467,280,473	14.19
Foreign companies	699,835,389	17.29	656,674,217	16.22
Miscellaneous businesses	109,340,160	18.63	102,524,683	17.47
All listed stocks	35,228,397,999	24.70	35,785,946,533	24.46

We give below a two-year compilation of the total market value and the average price of stocks listed on the Exchange:

	Market Value	Average Price		Market Value	Average Price
1939—			1941—		
Dec. 30	$46,467,616,372	$32.37	Jan. 31	$40,279,504,457	$27.68
1940—			Feb. 28	39,398,228,749	27.08
Jan. 31	45,636,655,548	31.68	Mar. 31	39,696,269,155	27.24
Feb. 29	46,058,132,499	31.96	Apr. 30	37,710,958,708	25.78
Mar. 30	46,694,763,118	32.34	May 31	37,815,306,034	25.84
Apr. 30	46,769,244,271	32.35	June 30	39,607,836,569	27.07
May 31	36,546,583,208	25.26	July 31	41,654,256,215	28.46
June 29	38,775,241,138	26.74	Aug. 30	41,472,032,904	28.32
July 31	39,991,865,997	27.51	Sept. 30	40.984,419,434	28.02
Aug. 31	40,706,241,811	28.00	Oct. 31	39,057,023,174	26.66
Sept. 30	41,491,698,705	28.56	Nov. 29	37,882,316,239	25.87
Oct. 31	42.673,890.518	29.38	Dec. 31	35,785,946,533	24.46
Nov. 30	41,848,246,961	28.72	1942—		
Dec. 31	41,890,646,959	28.80	Jan. 31	36,228,397,999	24.70

Engineering Construction Down 35% In Week

Engineering construction for the week (Feb. 12), $104,893,000, tops the $100,000,000-mark for the fourth consecutive week. This volume, however, is 35% below the total for a week ago as released on Feb. 12 by "Engineering News-Record."

Public construction for the week is 30% lower than in the preceding week, and private is down 63%. State and municipal work tops a week ago by 24%, but Federal construction is 34% lower, and is responsible for the public decline.

The current week's volume brings 1942 construction to $894,763,000, an increase of 15½% over the total for the opening seven-week period last year. Private work, $80,711,000, is 67% below the period a year ago, but public construction, $814,052,000, is 53% higher as a result of the 98% gain in Federal volume.

Construction totals for the 1941 week, last week, and the current week are:

	Feb. 13, 1941 (four days)	Feb. 5, 1942 (five days)	Feb. 12, 1942 (five days)
Total Construction	$96,346,000	$161,090,000	$104,893,000
Private Construction	20,408,000	21,647,000	7,943,000
Public Construction	75,938,000	139,443,000	96,950,000
State and Municipal	14,701,000	9,543,000	11,801,000
Federal	61,237,000	129,900,000	85,149,000

In the classified construction groups, gains over last week are in waterworks, sewerage, bridges, earthwork and drainage, and streets and roads. Increases over the totals for the short 1941 week are reported in waterworks, bridges, earthwork and drainage, and unclassified construction. Subtotals for the week in each class of work are: waterworks, $1,628,000; sewerage, $1,536,000; bridges, $1,846,000; industrial buildings, $4,508,000; commercial building and large-scale private housing, $2,960,000; public buildings, $44,279,000; earthwork and drainage, $31,200,000; streets and roads, $4,197,000; and unclassified construction, $12,739,000.

New capital for construction purposes for the week totals $542,291,000, an increase of 5% over the volume reported for the corresponding week last year. The current week's financing volume is made up of $7,461,000 in State and municipal bond sales, $3,325,000 in corporate security issues, $2,500,000 in RFC loans for industrial expansion, and $528,705,000 in Federal construction funds from the Naval Appropriation Act.

New construction financing for the year to date, $1,104,629,000, is 79% above the total for the seven-week period last year.

Nov. Gas Co. Statistics

The American Gas Association in February, 1942, reported that revenues of manufactured and natural gas utilities amounted to $80,158,900 in November, 1941, as compared with $74,206,600 for the corresponding month of 1940, an increase of 8.0%. Revenues from industrial and commercial users rose from $25,524,500 a year ago to $29,337,100 in November, 1941, a gain of 14.9%. Revenues from domestic uses such as cooking, water heating and refrigeration, etc., rose from $48,682,100 in 1940 to $50,821,800 in 1941, an increase of 4.4%.

The manufactured gas industry reported revenues of $33,606,400 for the month, an increase of 3.1% from the same month of the preceding year. Revenues for industrial purposes increased 16.0% while commercial revenues increased 4.0%. Revenues from domestic uses were 1.4% more than for the corresponding month of 1940, while revenues for house heating purposes gained 2.5%.

The natural gas utilities reported revenues of $46,552,500 for the month, or 11.9% more than for November, 1940. Revenues from sales of natural gas for industrial purposes gained 18.0%, while the increase in revenue from sales for domestic purposes was 7.5%.

WPB Controls Raw Silk

The War Production Board on Feb. 10 took complete control of the entire raw silk supply in this country. In a third amendment to Silk Order M-22, WPB ordered that:

> 1. No sale of raw silk may hereafter be made except to and by the Defense Supplies Corporation.
>
> 2. Until Feb. 23 silk previously purchased may still be delivered to parachute manufacturers, if available. After Feb. 22 all deliveries must be made to the Defense Supplies Corporation, which in turn will make available whatever quantity of raw silk is required by a parachute manufacturing plant to complete an order.
>
> 3. After March 1, no silk may be used in the manufacture of parachutes until the grade and type has been approved by the Defense Supplies Corporation. This is to make sure that certain top grade silks are conserved for the canopies of parachutes and are not used in the shroud lines or in the cores of shroud lines.

This order was followed by telegrams to all silk processors, directing them to sell their entire holdings of raw silk to the Defense Supplies Corp. at ceiling prices or otherwise their inventories would be requisitioned.

Curb Short Position

Total short position of stocks dealt in on the New York Curb Exchange for the month of January, reported as of Jan. 31, amounted to 16,045 shares as compared with 9,275 shares in December, 1941, the Exchange announced.

Eight issues showed a short position of more than 400 shares. They were:

	Jan., '42	Dec., '41
American Cyanamid Co. "B"	1,066	770
Arkansas Natural Gas Corp.. "A" non-vt. com.	700	---
American Gas & Elec. Co. common	661	200
E. W. Bliss Co. common	525	---
Ford Motor Co. Ltd. (Eng.) ADR ord. reg.	510	---
Pantepec Oil Co. of Venezuela	486	100
Republic Aviation Corp.	4,513	---
Vultee Aircraft, Inc.	1,000	---

Labor Bureau's Wholesale Price Index Declined 0.2% During Week Ended Feb. 7

The Bureau of Labor Statistics, U. S. Department of Labor, announced on Feb. 12 that there was a general but moderate reaction in commodity markets during the first week of February led by a drop in agricultural commodity prices. The Bureau of Labor Statistics' index of nearly 900 price series fell 0.2% from the high point of the preceding week to 95.7% of the 1926 average. At this level the all-commodity index is 0.7% above the corresponding week of January and nearly 19% higher than last year at this time.

The Bureau's announcement further stated:

> In addition to a decline of 1.2% in farm product prices, fuel and lighting materials dropped 0.5%; foods, building materials and miscellaneous commodities, 0.2%; and textile products and chemicals and allied products, 0.1%. An increase of 0.1% was recorded in the hides and leather products group index.
>
> Sharp declines in prices for cotton, wheat, barley and oats, for eggs, for citrus fruits and sweet potatoes, and for cows and lambs largely accounted for the decline in the farm products group index. Quotations were higher for corn and rye, and for apples and white potatoes. However, livestock and poultry prices were 1.9% above the preceding week, as higher prices were reported for steers, hogs, and live poultry. In the past 4 weeks average prices for farm products in primary markets have risen 1.3% and are more than 41% above a year ago. Cattle feed prices declined 3.6% during the week.
>
> Lower prices were reported for butter, cheese, for fresh beef, veal, lamb and dressed poultry, and for flour, oatmeal, cocoa beans and pepper during the week. Quotations were higher for rice, corn meal, bananas, canned salmon, oleo oil, glucose, peanut butter and jelly. The average prices of foods in central markets is 28% above the early February, 1941, level.
>
> Following the break in the cotton market, prices of most cotton textiles declined because of the sliding scale ceiling of the Office of Price Administration. Higher prices were also reported for men's suits, for underwear and for cotton rope and thread. Manufacturers' prices for blankets recorded further increases.
>
> Lower prices for Connellsville coke, because of a new price ceiling, together with slight reductions in prices for coal in some areas and for gasoline, caused the fuel and lighting materials group idex to decline 0.5%.

Continued advances were reported in prices for plumbing equipment and for yellow pine boards, flooring and timbers, and for Ponderosa pine boards and for paint materials, including linseed oil, rosin and turpentine. Prices were lower for maple and oak flooring and for yellow pine dimension, drop siding and finish. Quicksilver declined 3.4% as a ceiling was set by the Office of Price Administration at prices below the prevailing market level.

The following tables show (1) index numbers for the principal groups of commodities for the past 3 weeks, for Jan. 10, 1942 and for Feb. 8, 1941 and the percentage changes from a week ago, a month ago, and a year ago (2) percentage changes in subgroup indexes from Jan. 31 to Feb. 7, 1942.

(1926 = 100)

						Percentage changes to Feb. 7, 1942 from—		
Commodity Groups—	2-7 1942	1-31 1942	1-24 1942	1-10 1942	2-8 1941	1-31 1942	1-10 1942	2-8 1941
All Commodities	95.7	95.9	95.5	95.0	80.5	—0.2	+0.7	+18.9
Farm products	100.1	101.3	100.3	98.8	70.7	—1.2	+1.3	+41.6
Foods	93.7	93.9	93.6	92.5	73.2	—0.1	+1.3	+28.0
Hides and leather products	115.8	115.7	115.7	115.7	102.2	+0.1	+0.1	+13.3
Textile products	93.5	93.6	92.7	92.4	75.4	—0.1	+1.2	+24.0
Fuel and lighting materials	78.4	78.8	78.9	78.9	72.9	—0.5	—0.6	+7.5
Metals and metal products	103.6	103.6	103.6	103.5	97.8	0	+0.1	+5.9
Building materials	109.4	109.6	109.5	108.9	99.4	—0.2	+0.5	+10.1
Chemicals and allied products	96.6	96.7	96.5	95.3	78.6	—0.1	+1.4	+22.9
Housefurnishing goods	102.9	102.9	102.7	102.4	90.5	0	+0.5	+13.7
Miscellaneous commodities	88.2	88.4	88.1	87.7	76.8	—0.2	+0.6	+14.8
Raw materials	95.9	96.4	95.5	94.5	73.8	—0.5	+1.5	+30.0
Semimanufactured articles	91.9	92.0	91.8	91.3	81.2	—0.1	+0.7	+13.2
Manufactured products	96.3	96.4	96.3	96.0	83.8	—0.1	+0.3	+14.9
All commodities other than farm products	94.7	94.7	94.5	94.1	82.6	0	+0.6	+14.6
All commodities other than farm products and foods	94.5	94.7	94.5	94.3	84.6	—0.2	+0.2	+11.7

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM
JAN. 31, 1942 TO FEB. 7, 1942

Increases

Fruits and vegetables	2.6	Fertilizer materials	0.3
Livestock and poultry	1.9	Meats	0.3
Hides and skins	0.6	Paper and pulp	0.3
Hosiery and underwear	0.6	Paint and paint materials	0.2
Other textile products	0.5	Plumbing and heating	0.2
Clothing	0.4	Leather	0.1
Chemicals	0.1		

Decreases

Cattle feed	3.6	Oils and fats	0.6
Other farm products	3.2	Dairy products	0.2
Other foods	1.7	Bituminous coal	0.1
Grains	1.3	Cereal products	0.1
Petroleum products	1.2	Coke	0.1
Cotton goods	1.1	Nonferrous metals	0.1
Lumber	0.8	Other miscellaneous	0.1

Trading On New York Exchanges

The Securities and Exchange Commission made public on Feb. 13 figures showing the daily volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Jan. 31, 1942, continuing a series of current figures being published by the Commission. Short sales are shown separately from other sales in these figures, the Commission explained.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Jan. 31 (in round-lot transactions) totaled 808,765 shares, which amount was 14.63% of total transactions on the Exchange of 2,762,890 shares. This compares with member trading during the previous week ended Jan. 24 of 876,220 shares, or 15.70% of total trading of 2,789,170 shares. On the New York Curb Exchange, member trading during the week ended Jan. 31 amounted to 148,205 shares, or 16.55% of the total volume on that Exchange of 447,675 shares; during the preceding week trading for the account of Curb members of 157,970 shares was 16.39% of total trading of 481,775 shares.

The Commission made available the following data for the week ended Jan. 31:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total Number of Reports Received	1,044	750
1. Reports showing transactions as specialists	185	93
2. Reports showing other transactions initiated on the floor	186	23
3. Reports showing other transactions initiated off the floor	175	71
4. Reports showing no transactions	598	568

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)

Week Ended Jan. 31, 1942

	Total For Week	Per Cent a
A. Total Round-Lot Sales		
Short sales	104,820	
Other sales b	2,658,070	
Total sales	2,762,890	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists		
1. Transactions of specialists in stocks in which they are registered		
Total purchases	194,760	
Short sales	50,820	
Other sales b	175,260	
Total sales	226,080	7.21
2. Other transactions initiated on the floor		
Total purchases	107,810	
Short sales	17,910	
Other sales b	105,510	
Total sales	123,420	4.18
3. Other transactions initiated off the floor		
Total purchases	68,125	
Short sales	7,300	
Other sales b	81,270	
Total sales	88,570	2.84
4. Total		
Total purchases	370,695	
Short sales	76,030	
Other sales b	362,040	
Total sales	438,070	14.63

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)

Week Ended Jan. 24, 1942

	Total For Week	Per Cent a
A. Total Round-Lot Sales		
Short sales	9,295	
Other sales b	438,380	
Total sales	447,675	
B. Round-Lot Transactions for the Account of Members		
1. Transactions of specialists in stocks in which they are registered		
Total purchases	43,710	
Short sales	5,275	
Other sales b	53,720	
Total sales	58,995	11.47
2. Other transactions initiated on the floor		
Total purchases	4,625	
Short sales	200	
Other sales b	8,585	
Total sales	8,785	1.50
3. Other transactions initiated off the floor		
Total purchases	11,485	
Short sales	500	
Other sales b	20,105	
Total sales	20,605	3.58
4. Total		
Total purchases	59,820	
Short sales	5,975	
Other sales b	82,410	
Total sales	88,385	16.55
C. Odd-Lot Transactions for the Account of Specialists		
Customers' short sales	0	
Customers' other sales c	26,121	
Total purchases	26,121	
Total sales	16,316	

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* The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

a Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

b Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

c Sales marked "short exempt" are included with "other sales."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Feb. 13 a summary for the week ended Feb. 7, 1942, of complete figures showing the volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures, which are based upon reports filed with the Commission by the odd-lot dealers and specialists, are given below:

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE

Week Ended Feb. 7,—	Total for week
Odd-lot Sales by Dealers: (Customers' Purchases)	
Number of orders	11,968
Number of shares	306,892
Dollar value	11,720,749
Odd-lot Purchases by Dealers— (Customers' Sales)	
Number of Orders:	
Customers' short sales	221
Customers' other sales a	10,988
Customers' total sales	11,209
Number of Shares:	
Customers' short sales	6,218
Customers' other sales a	266,319
Customers' total sales	272,537
Dollar value	8,869,345
Round-lot Sales by Dealers— Number of Shares:	
Short sales	90
Other sales b	60,910
Total sales	61,000
Round-lot Purchases by Dealers—	
Number of shares	103,440

a Sales marked "short exempt" are reported with "other sales." b Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Lumber Movement—Week Ended Feb. 7, 1942

Lumber production during the week ended Feb. 7, 1942, was 2% less than the previous week, shipments were 10% less, new business 19% less, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 10% above production; new orders 15% above production. Compared with the corresponding week of 1941, production was 3% less, shipments, 0.3% greater, and new business, 0.5% less. The industry stood at 157% of the average of production in the corresponding week of 1935-39 and 151% of average 1935-39 shipments in the same week.

Year-to-Date Comparisons

Reported production for the first 5 weeks of 1942 was 5% below corresponding weeks of 1941; shipments were 2% below the shipments, and new orders 10% above the orders of the 1941 period. For the 5 weeks of 1942, new business was 34% above production, and shipments were 13% above production.

Supply and Demand Comparisons

The ratio of unfilled orders to gross stocks was 46% on Feb. 7, 1942, compared with 34% a year ago. Unfilled orders were 29% greater than a year ago; gross stocks were 6% less.

Softwoods and Hardwoods

Record for the current week ended Feb. 7, 1942, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

Softwoods and Hardwoods

	1942 Week	1941 Week	1942 Previous Wk. (rev.)
Mills	457	457	472
Production	220,835	226,506	224,956
Shipments	243,336	242,706	271,090
Orders	254,338	255,724	314,940

	Softwoods 1942 Week	Hardwoods 1942 Week
Mills	379	92
Production	209,135—100%	11,700—100%
Shipments	231,675—111%	11,661—100%
Orders	242,339—116%	11,999—103%

Revenue Freight Car Loadings During Week Ended Feb. 7, 1942 Amounted To 784,060 Cars

Loading of revenue freight for the week ended Feb. 7, totaled 784,060 cars, the Association of American Railroads announced on Feb. 12. The increase above the corresponding week in 1941 was 73,864 cars or 10.4%, and above the same week in 1940 was 156,631 cars or 25.0%.

Loading of revenue freight for the week of Feb. 7 decreased 31,507 cars or 3.9% below the preceding week.

Miscellaneous freight loading totaled 352,947 cars, a decrease of 19,403 cars below the preceding week, but an increase of 50,192 cars above the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 151,718 cars, a decrease of 68 cars below the preceding week, and a decrease of 1,606 cars below the corresponding week in 1941.

Coal loading amounted to 153,047 cars, a decrease of 2,603 cars below the preceding week, but an increase of 3,653 cars above the corresponding week in 1941.

Grain and grain products loading totaled 41,315 cars, a decrease of 6,314 cars below the preceding week, but an increase of 12,585 cars above the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of Feb. 7 totaled 27,866 cars, a decrease of 4,281 cars below the preceding week, but an increase of 10,550 cars above the corresponding week in 1941.

Live stock loading amounted to 10,414 cars, a decrease of 1,103 cars below the preceding week, but an increase of 124 cars above the corresponding week in 1941. In the Western Districts alone, loading of live stock for the week of Feb. 7 totaled 7,604 cars, a decrease of 875 cars below the preceding week, but an increase of 120 cars above the corresponding week in 1941.

Forest products loading totaled 47,146 cars, a decrease of 1,618 cars below the preceding week, but an increase of 8,634 cars above the corresponding week in 1941.

Ore loading amounted to 13,405 cars, an increase of 63 cars above the preceding week, and an increase of 587 cars above the corresponding week in 1941.

Coke loading amounted to 14,068 cars, a decrease of 461 cars below the preceding week, and a decrease of 305 cars below the corresponding week in 1941.

All districts reported increases compared with the corresponding week in 1941 except the Pocohontas and all districts reported increases over 1940.

	1942	1941	1940
5 Weeks of January	3,858,273	3,454,409	3,215,565
Week of Feb. 7	784,060	710,196	627,429
Total	4,642,333	4,164,605	3,842,994

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Feb. 7, 1942. During this period 106 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS)—WEEK ENDED FEB. 7

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1942	1941	1940	1942	1941
Eastern District—					
Ann Arbor	638	548	580	1,485	1,443
Bangor & Aroostook	2,005	1,926	1,738	256	206
Boston & Maine	7,970	7,817	7,399	14,261	12,174
Chicago, Indianapolis & Louisville	1,346	1,240	1,457	2,359	2,394
Central Indiana	33	11	19	50	59
Central Vermont	1,325	1,293	1,265	2,221	2,167
Delaware & Hudson	6,494	5,789	4,138	11,162	9,060
Delaware, Lackawanna & Western	9.193	9.199	7,689	9,122	7,576
Detroit & Mackinac	282	248	251	140	96
Detroit, Toledo & Ironton	2,352	3,079	2,610	1,733	1,879
Detroit & Toledo Shore Line	305	375	294	3,794	4,460
Erie	14,433	13,562	10,732	16,077	13,607
Grand Trunk Western	4,842	5,800	4,822	8,727	9,500
Lehigh & Hudson River	213	162	127	3,152	2,427
Lehigh & New England	1,686	1,687	1,390	1,539	1,374
Lehigh Valley	9,113	9,129	7,158	9,938	8,259
Maine Central	3,598	3,331	2,971	3,674	3,321
Monongahela	6,069	4,891	6,551	470	273
Montour	1,885	2,009	1,810	49	32
New York Central Lines	45,615	44,150	38,164	49,546	44.913
N. Y., N. H. & Hartford	12,427	10,941	9,256	17,028	14,535
New York, Ontario & Western	1,128	1,076	852	2,255	2,090
N. Y., Chicago & St. Louis	6,866	5,070	5,137	14,089	12,786
N. Y., Susquehanna & Western	540	453	401	1,471	1,797
Pittsburgh & Lake Erie	7,351	7,710	5,791	7,238	6.676
Pere Marquette	5,336	6,185	5,715	6,476	6,338
Pittsburgh & Shawmut	562	515	575	47	20
Pittsburgh, Shawmut & North	414	421	433	311	300
Pittsburgh & West Virginia	747	733	1,127	2,257	2,094
Rutland	516	587	545	1,027	957
Wabash	6,013	5,650	5,346	11,804	10.514
Wheeling & Lake Erie	4,388	4,311	3,445	4,101	3,812
Total	165,685	159,898	139,837	207,859	187,139
Allegheny District—					
Akron, Canton & Youngstown	705	588	443	1,034	969
Baltimore & Ohio	39,184	34,170	29,206	23,105	19,148
Bessemer & Lake Erie	3,303	3,261	2,560	1,360	1,760
Buffalo Creek & Gauley	320	273	354	5	5
Cambria & Indiana	1,856	1,837	1,669	12	16
Central R.R. of New Jersey	7,486	6,970	5,464	16,859	13,364
Cornwall	604	615	631	74	64
Cumberland & Pennsylvania	308	340	301	29	49
Ligonier Valley	125	158	172	59	77
Long Island	800	634	523	3,247	2,963
Penn-Reading Seashore Lines	1,754	1,304	1,095	1,956	1,592
Pennsylvania System	77,366	69.706	58,764	55,533	45,097
Reading Co.	16,003	16.143	12,147	26,152	20,439
Union (Pittsburgh)	18,946	19.694	15,955	3,868	3,631
Western Maryland	4,010	3,637	3,322	10,495	8,029
Total	172,770	159.330	132,606	143,788	117,203
Pocahontas District—					
Chesapeake & Ohio	23,278	22,602	23.921	10.045	9,776
Norfolk & Western	20,073	21.416	18,920	6,384	5.947
Virginian	4,351	4,397	4,512	2,124	1,684
Total	47.702	48.415	47.353	18.553	17.407
Southern District—					
Alabama, Tennessee & Northern	381	285	191	334	175
Atl. & W. P.—W. R.R. of Ala.	899	810	714	2,285	1,660
Atlanta, Birmingham & Coast	799	709	513	1,153	1,106
Atlantic Coast Line	12,927	10,988	8,499	8,260	6,771
Central of Georgia	4,520	4,174	3,477	4,365	3,591
Charleston & Western Carolina	444	436	367	1,712	1,699
Clinchfield	1,698	1,557	1,428	2,904	2,858
Columbus & Greenville	252	258	251	286	317
Durham & Southern	179	162	151	557	722
Florida East Coast	1,354	998	783	1,213	1,110
Gainsville Midland	39	36	33	126	76
Georgia	1,460	1,068	846	2,595	1,858
Georgia & Florida	449	321	227	692	709
Gulf, Mobile & Ohio	4,441	3,387	2,839	3,754	2,779
Illinois Central System	28,768	21,639	20,802	15,053	12,315
Louisville & Nashville	24,582	23,309	22,952	8,845	6,832
Macon, Dublin & Savannah	190	120	128	813	1,037
Mississippi Central	168	148	110	625	337
Nashville, Chattanooga & St. L.	3,232	3,131	2,557	3,733	3,053
Norfolk Southern	1,289	1,162	936	1,383	1,121
Piedmont Northern	531	464	416	1,548	1,539
Richmond Fred. & Potomac	458	359	365	9,144	5,645
Seaboard Air Line	10,686	10,160	8,268	8,109	6,320
Southern System	24,410	23,346	19,459	21,954	17,198
Tennessee Central	581	522	374	840	706
Winston-Salem Southbound	126	139	153	1,007	863
Total	124,863	109,688	96,839	103,290	82,397
Northwestern District—					
Chicago & North Western	18,364	15,067	14,080	14,044	11,314
Chicago Great Western	2,751	2,278	2,229	3,569	3,115
Chicago, Milw., St. P. & Pac.	22,414	19,925	17,862	10,040	8,727
Chicago, St. Paul, Minn. & Omaha*	4,903	3,873	3,608	4,373	3,502
Duluth, Missabe & Iron Range	1,203	927	855	429	185
Duluth, South Shore & Atlantic	731	560	522	600	451
Elgin, Joliet & Eastern	9,786	9,808	7,676	10,405	8,494
Ft. Dodge, Des Moines & South	509	423	354	137	143
Great Northern	11,848	9,336	8,189	4,446	3,150
Green Bay & Western	597	570	491	838	688
Lake Superior & Ishpeming	335	218	244	72	64
Minneapolis & St. Louis	2,410	1,518	1,424	2,563	2,100
Minn., St. Paul & S. S. M.	5,696	4,959	4,787	3,602	2,679
Northern Pacific	10,436	9,233	8,388	4,349	3,680
Spokane International	102	71	75	390	289
Spokane, Portland & Seattle	2,605	1,799	1,395	2,617	1,709
Total	94,690	80,565	72,179	62,474	50,290
Central Western District—					
Atch. Top. & Santa Fe System	22,225	17,770	16,123	9,410	7,065
Alton	3,349	3,095	2,570	3,281	2,361
Bingham & Garfield	472	477	437	96	103
Chicago, Burlington & Quincy	17,375	15,194	14,440	11,213	8,527
Chicago & Illinois Midland	2,993	2,670	1,709	860	759
Chicago, Rock Island & Pacific	12,031	10,463	9,986	12,024	9,873
Chicago & Eastern Illinois	2,894	2,535	2,628	3,183	2,847
Colorado & Southern	762	720	730	1,537	1.597
Denver & Rio Grande Western	2,916	2,684	2,539	4,630	2,942
Denver & Salt Lake	638	493	954	7	9
Fort Worth & Denver City	1,187	919	1,020	1,235	999
Illinois Terminal	1,916	1,636	2,060	1,494	1,532
Missouri-Illinois	1,173	792	798	480	405
Nevada Northern	1,915	1,913	1,565	137	124
North Western Pacific	722	638	525	351	400
Peoria & Pekin Union	12	20	11	0	0
Southern Pacific (Pacific)	25,850	23.797	19,791	9,270	5.908
Toledo, Peoria & Western	213	304	369	928	1,271
Union Pacific System	15,261	13,400	12.779	11,678	8,205
Utah	562	412	352	6	6
Western Pacific	1,857	1,733	1,148	3,026	1,934
Total	116,323	101,665	92,534	74,846	56,867
Southwestern District—					
Burlington-Rock Island	175	133	139	291	250
Gulf Coast Lines	4,896	3,130	3,191	2,902	1,425
International-Great Northern	2,264	1,496	1,474	2,804	2,257
Kansas, Oklahoma & Gulf	344	165	192	1,103	1,030
Kansas City Southern	3,269	2,314	2,060	2,632	2,230
Louisiana & Arkansas	2,441	2,017	1,578	2,349	1,615
Litchfield & Madison	409	351	438	1,231	973
Midland Valley	540	594	600	242	205
Missouri & Arkansas	210	148	115	493	403
Missouri-Kansas-Texas Lines	5,041	3,971	3,589	4,673	2,838
Missouri Pacific	17,385	15,149	13,768	13,865	10,298
Quanah Acme & Pacific	154	95	98	229	140
St. Louis-San Francisco	8,705	7,619	6,985	7,285	5,241
St. Louis Southwestern	3,660	2,436	2,156	4,744	2,991
Texas & New Orleans	8,183	7,061	6,345	5,352	3,517
Texas & Pacific	4,195	3,829	3,230	6,954	4,512
Wichita Falls & Southern	136	117	109	37	64
Weatherford M. W. & N. W.	20	10	14	21	197
Total	62,027	50,635	46,081	57,207	40,186

Note—Previous year's figures revised.

Preliminary Estimates Of January Coal Output

According to preliminary estimates made by the Bureau of Mines and the Bituminous Coal Division of the United States Department of the Interior, bituminous coal output during the month of January, 1942, amounted to 48,540,000 net tons, compared with 46,667,000 net tons in the preceding month and 44,070,000 net tons in the corresponding month in 1941. Pennsylvania anthracite production during January, 1942, totaled 4,532,000 net tons, as against 4,977,000 net tons in the same month last year and 4,118,000 net tons in December, 1941. The consolidated statement of the two aforementioned organizations follows:

	Total for Month (Net Tons)	No. of Work. Days	Average per Work Day (Net Tons)
January, 1942 (prelim.)—			
*Bituminous coal	48,540,000	26	1,867,000
†Anthracite	4,532,000	--	------
Beehive coke	636,700	--	------
December, 1941—			
*Bituminous coal	‡46,667,000	26	1,795,000
†Anthracite	§4,118,000	--	------
Beehive coke	§650,000	--	------
January, 1941—			
*Bituminous coal	‡44,070,000	26	1,695,000
†Anthracite	§4,977,000	--	------
Beehive coke	§514,000	--	------

*Includes for purposes of historical comparison and statistical convenience, the production of lignite. †Total production, including colliery fuel, wahery and dredge coal, and coal shipped by truck from authorized operations. ‡Preliminary figure. §Revised figure.

Note—All current estimates will later be adjusted to agree with the results of the complete canvas of production made at the end of the calendar year.

FDR Calls For Action On Rivers & Harbor Bill

President Roosevelt urges that speed be taken with respect to the Rivers and Harbors Bill, explaining that "it is important that every phase of production contributory to the nation's armament be prosecuted with the utmost dispatch." In a letter to Representative Mansfield of Texas, Chairman of the Rivers and Harbors Committee, Mr. Roosevelt said that this measure is "especially desirable for the transportation and production of war materials" and he emphasized the fact that the proposed legislation is merely an authorization.

Chairman Mansfield issued a statement saying that the majority of the Committee is in full accord with the President's views and he called attention to an amendment, which was recently adopted by the House group, limiting "appropriations during the war to projects which are certified by some authorized national defense agency and approved by the President as being necessary in the interests of national defense."

Projects which do not meet that requirement, Mr. Mansfield explained, "will have to wait until six months after the war is over before appropriations can be made for their construction."

The omnibus rivers and harbors bill, which includes the controversial St. Lawrence waterway project, is estimated to contain $965,000,000 in authorizations for "improvements in the interest of national security and the stabilization of employment." It has been pending in committee since last Summer.

The President's letter read:

> I invite your attention to the need for expediting legislative action on bill H. R. 5993.
>
> At this time it is important that every phase of production contributory to the nation's armament be prosecuted with the utmost dispatch. Certain waterway improvements for navigation and power production are especially desirable for the transportation and production of war materials.
>
> The bill in question authorizes improvements in the interest of national security and the stabilization of employment and provides that the projects authorized shall be prosecuted as speedily as may be considered consistent with budgetary requirements.
>
> It is pertinent to point out that the proposed legislation is merely an authorization. It is extremely important, however, that authorizating legislation be expedited in order that the Appropriation Committee of Congress may provide without delay for projects urgently needed on account of the war emergency."

Australian Sugar Down

The current 1941-42 cane sugar crop in Australia is estimated at 746,000 long tons, raw sugar, as compared with 809,000 tons produced in the previous season, a decrease of 63,000 tons, or approximately 8.4%, according to advices received by Lamborn & Co., New York. Two years ago Australia produced its record crop of 928,000 tons, says the firm's announcement, which added:

> In addition to the cane sugar crop, Australia produces a small quantity of beet sugar, last year's outturn being 3,300 tons. For the current season a similar quantity is expected to be harvested.
>
> Sugar consumption in Australia during the year ended Aug. 31, 1941, approximated 403,000 long tons. Surplus production in past years was shipped manly to the United Kingdom and Canada.

Fertilizer Ass'n. Price Index Again Rises

There was another upturn in wholesale commodity price levels last week led by a rise in food prices. The weekly wholesale commodity price index compiled by The National Fertilizer Association was released Feb. 16. In the week ended Feb. 14, 1942, it rose to 122.5% of the 1935-1939 average, compared with 122.0 in the preceding week. At this level the index is 0.8% above the corresponding week a month ago when it registered 121.15 and is 21.2% higher than at this time a year ago.

The advance in the all-commodity index was brought about chiefly by a marked rise in foodstuffs. Although a general increase in food prices, led by advances in meats resulted in the moderate upward movement of the food group index, this index is still below the level reached during the week of Jan. 17. Industrial commodities increased in price. The sharpest gain was recorded by the building material average which spurted upward as a result of price rises for crushed stone, lumber, and zinc oxide. An upswing in the fuel index was caused by a rise in gasoline quotations. The textile group average advanced slightly; cotton and cotton materials were again lower, but the effect of these declines on the group average was more than offset by the rise in the price of wool. The chemical and drug and fertilizer material price indexes also moved upward during the week. The farm product index slipped back fractionally when the cotton, grain, and livestock subgroups declined. Slight reactions in cottonseed meal and cattle feed prices resulted in a small decline in the index of miscellaneous commodities.

During the week changes in price series included in the index were nearly evenly balanced with 22 items advancing and 23 declining; in the preceding week there were 25 advances and 22 declines; in the second preceding week there were 30 advances and 15 dclines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
[1935-1939 = 100]*

% Each Group Bears to the Total Index	GROUP	Latest Week Feb. 14, 1942	Preceding Week Feb. 7, 1942	Month Ago Jan. 10, 1942	Year Ago Feb. 15, 1941
25.3	Foods	118.2	117.3	118.7	93.8
	Fats and Oils	135.6	135.5	129.5	75.2
	Cottonseed Oil	158.7	158.7	156.4	71.8
23.0	Farm Products	131.7	131.8	129.1	94.4
	Cotton	180.8	182.3	174.0	96.2
	Grains	119.1	120.0	119.1	82.0
	Livestock	124.6	124.5	122.5	96.3
17.3	Fuels	113.8	113.3	113.0	101.5
10.8	Miscellaneous Commodities	127.0	127.3	126.9	111.3
8.2	Textiles	149.8	149.7	147.7	113.5
7.1	Metals	104.4	104.4	104.0	103.2
6.1	Building Materials	135.1	132.0	131.7	117.7
1.3	Chemicals and Drugs	120.3	120.1	120.1	104.0
.3	Fertilizer Materials	118.4	118.0	117.0	105.8
.3	Fertilizers	114.0	114.0	112.7	104.0
.3	Farm Machinery	103.5	103.5	103.4	99.7
100.0	All Groups Combined	122.5	122.0	121.5	101.1

*Indexes on 1926-1928 base were: Feb. 14, 1942, 95.4; Feb. 7, 1942, 95.0; Feb. 15, 1941, 78.8.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	*Orders Received Tons*	*Production Tons*	*Unfilled Orders Remaining Tons*	*Percent of Activity*	
				Current	*Cumulative*
1941—Month of—					
January	673,446	629,863	202,417	75	--
February	608,521	548,579	261,650	81	--
March	652,128	571,050	337,022	82	--
April	857,732	726,460	447,525	83	--
May	656,437	602,323	488,993	84	--
June	634,684	608,995	509,231	88	--
July	509,231	807,440	737,420	86	--
August	659,722	649,031	576.529	94	--
September	642,879	630,524	578,402	94	--
October	839,272	831,991	568,264	99	--
November	640,188	649.021	554,417	98	--
December	743,637	760,775	530,459	93	--
1942—Month of—					
January	673,122	668,230	528,698	102	--
1941—Week Ended—					
Aug. 2	159,844	159,272	572,635	93	83
Aug. 9	174,815	159,894	587,498	91	83
Aug. 16	169,472	162,889	592,840	92	83
Aug. 23	158,403	162,964	584,484	94	83
Aug. 30	157,032	163,284	576.529	97	84
Sept. 6	147,086	133,031	591,414	80	84
Sept. 13	164,057	166,781	589,770	98	84
Sept. 20	176.263	166.797	583,716	99	84
Sept. 27	155,473	163,915	578,402	98	85
Oct. 4	176,619	168,256	582,287	100	85
Oct. 11	159,337	164.374	575,627	99	85
Oct. 18	167,440	165.795	574.991	98	86
Oct. 25	165,279	168,146	568,161	100	86
Nov. 1	170,597	165,420	568.264	99	86
Nov. 8	169,585	159,860	576,923	97	86
Nov. 15	156,394	165,397	570,430	99	87
Nov. 22	145,098	160,889	550,383	96	87
Nov. 29	169,111	164.875	554,417	101	87
Dec. 6	181,185	166.080	567,373	102	87
Dec. 13	149,021	163,226	553,389	101	88
Dec. 20	149,874	166,948	535 556	101	88
Dec. 27	116,138	124,258	523,119	76	88
1942—Week Ended—					
Jan. 3	147,419	140.263	530.549	86	88
Jan. 10	162,493	166,095	527,514	101	--
Jan. 17	167,846	165,360	525,088	102	102
Jan. 24	161,713	169,735	514.622	101	102
Jan. 31	181,070	167 040	528.698	101	102
Feb. 7	894	168,424	522,320	101	102

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled stock, and other items made necessary adjustments of unfilled orders.

Weekly Coal and Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest coal report, stated that the total production of soft coal in the week ended Feb. 7 is estimated at 10,760,000 net tons, indicating a decrease of 435,000 tons, or 3.9%, from the preceding week. Production in the corresponding week of 1941 amounted to 10,095,000 tons.

The U. S. Bureau of Mines reported that the production of Pennsylvania anthracite for the week ended Feb. 7 was estimated at 1,150,000 tons, an increase of 54,000 tons (about 5%) over the preceding week. When compared with the output in the corresponding week of 1941, there was an increase of 0.8%.

ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL, IN THOUSANDS OF NET TONS WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM

	Week Ended			Jan. 1 to date		
Bituminous coal a	Feb. 7, 1942	Jan. 31, c1942	Feb. 8, 1941	Feb. 7, d1942	Feb. 8, 1941	Feb. 6, 1937
Total, including mine fuel	10,760	11,195	10,095	59,634	54,975	51,456
Daily average	1,793	1,866	1,683	1,864	1,666	1,660
Crude petroleum b						
Coal equivalent of weekly output	6,947	6,201	5,795	36,502	32,081	27,170

a Includes for purposes of historical comparison and statistical convenience the production of lignite. b Total barrels produced during the week converted into equivalent coal assuming 6,000,000 B.t.u. per barrel of oil and 13,100 B.t.u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal. (Minerals Yearbook, 1939, page 702.) c Revised. d Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND BEEHIVE COKE (IN NET TONS)

	Week Ended			Calendar year to date		
Penn. anthracite—	Feb. 7, 1942	Jan. 31, 1942	Feb. 8, 1941	Feb. 7, 1942	Feb. 8, 1941	Feb. 9, 1929
Total, including colliery fuel a	1,150,000	1,096,000	1,141,000	5,682,000	6,192,000	9,348,000
Comm'l production b	1,093,000	1,041,000	1,084,000	5,398,000	5,882,000	8,675,000
Beehive coke—						
United States total	15,900	155,400	122,600	798,000	659,600	661,700
Daily average	21,557	22,200	17,514	21,000	16,913	16,543

a Includes washery and dredge coal, and coal shipped by truck from authorized operations. b Excludes colliery fuel.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES
(In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

	Week Ended					Jan. average
State—	Jan. 31, 1942	Jan. 24, r1942	Feb. 1, 1941	Feb. 3, 1940	Jan. 30, 1937	e1923
Alaska	3	3	5	3	2	(f)
Alabama	379	375	326	336	321	434
Arkansas and Oklahoma	78	92	106	127	112	93
Colorado	186	195	160	206	245	226
Georgia and North Carolina	1	1	*	*	*	(f)
Illinois	1,442	1,480	1,181	1,421	1,451	2,111
Indiana	563	565	499	507	391	659
Iowa	92	92	62	88	131	140
Kansas and Missouri	207	209	175	216	220	190
Kentucky—Eastern	748	806	833	884	220	607
Western	272	276	225	308	76	240
Maryland	39	39	39	37	36	55
Michigan	7	6	13	12	21	32
Montana	84	88	71	64	77	82
New Mexico	29	34	26	25	45	73
North and South Dakota	51	44	60	52	106	f50
Ohio	686	677	522	477	480	814
Pennsylvania bituminous	2,717	2,677	2,468	2,122	2,392	3,402
Tennessee	137	141	130	151	125	133
Texas	8	10	8	15	14	26
Utah	123	124	87	85	143	109
Virginia	365	397	333	336	241	211
Washington	32	33	39	34	65	74
West Virginia—*a*Southern	1,960	1,973	1,928	1,911	1,070	1,134
*b*Northern	831	825	687	657	680	762
Wyoming	155	153	121	134	175	186
cOther Western States	*	2	*	*	*	f7
Total bituminous coal	11,195	11,317	10,104	10,208	8,839	11,850
d Pennsylvania anthracite	1,096	1,265	1,190	1,078	1,052	1,968
Total, all coal	12,291	12,582	11,294	11,286	9,891	13,818

a Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay Counties. *b* Rest of State, including the Panhandle District and Grant, Mineral, and Tucker Counties. *c* Includes Arizona, California, Idaho, Nevada, and Oregon. *d* Data for Pennsylvania anthracite from published records of the Bureau of Mines. *e* Average weekly rate for entire month. *f* Alaska, Georgia, North Carolina, and South Dakota included with "other Western States." * Less than 1,000 tons. *r* Revised.

Insolvent National Bank Dividends

Comptroller of the Currency Preston Delano announced on Feb. 5 that during the month ended Jan. 31, 1942, authorizations were issued to receivers for payments of dividends to the creditors of eight insolvent national banks. Dividends so authorized says the announcement will effect total distributions of $1,637,100 to 59,360 claimants who have proved claims aggregating $31,583,200, or an average payment of 5.18%. The announcement continues:

> The minimum and maximum percentages of dividends authorized were 1.45% and 11.1%, while the smallest and largest payments involved in dividend authorizations during the month were $13,200 and $1,078,500, respectively. Of the eight dividends authorized, seven were final dividend payments, and one was a partial interest dividend payment. Dividend payments so authorized during the month ended Jan. 31, 1942, were as follows:

DIVIDEND PAYMENTS TO CREDITORS OF INSOLVENT NATIONAL BANKS
AUTHORIZED DURING THE MONTH ENDED JAN. 31, 1942

Name and Location of Bank—	Date Authorized	Distribution of Funds by Dividend Authorized	Total Percentage Authorized Dividends to Date	Amount Claims Proved
*The National Bank of Niles Center, Ill.	1-21-42	$69,800	108.19%	$851,900
The Nat'l Bank of America at Gary, Ind.	1-23-42	58,800	98.5%	640,300
Feederal National Bank of Boston, Mass.	1- 7-42	1,078,500	49.94%	21,831,500
The First National Bank of Portsmouth, Ohio	1-26-42	117,600	81.79%	3,102,300
The First National Bank of Emporium, Pa.	1-16-42	129,300	56.1%	1,164,500
The Citizens National Bank of Shenandoah, Pa.	1-12-42	83,000	83.3%	1,316,700
The Merchants National Bk. of Pottsville, Pa.	1- 2-42	86,900	89.93%	1,762,700
The First National Bank of Elizabethton, Tenn.	1-19-42	13,200	18.45%	913,300

*Interest partial. In case of other banks final dividend.

Market Transactions In Govts. For Jan.

Market transactions in Government securities for Treasury investment accounts in January, 1942, resulted in net sales of $520,700, Secretary Morgenthau announced on Feb. 16. This compares with net purchases of $60,004,000 in December.

The following tabulation shows the Treasury's transactions in Government securities for the last two years:

1940—		
January	$9,475,000	sold
February	20,801,000	sold
March	5,700,000	sold
April	1,636,100	sold
May	387,200	purchased
June	934,000	purchased
July	No sales or	purchases
August	No sales or	purchases
September	$300,000	sold
October	4,400,000	sold
November	284,000	sold
December	1,139,000	sold
1941—		
January	$2,785,000	purchased
February	11,950,000	purchased
March	No sales or	purchases
April	$743,350	sold
May	200.000	sold
June	447,000	purchased
July	No sales or	purchases
August	No sales or	purchases
September	$2,500	sold
October	200,000	sold
November	No sales or	purchases
December	$60,004,000	purchased
1942—		
January	520,700	sold

National Banks

The following information is from the office of the Comptroller of the Currency, Treasury Department:

CHANGE OF TITLE

Feb. 11 West Palm Beach Atlantic National Bank, West Palm Beach, Florida.
To: "Atlantic National Bank of West Palm Beach."

VOLUNTARY LIQUIDATION

Amount
Feb. 11 The Lamberton National Bank of Franklin, Pa.
Effective Dec. 20, 1941.
Liquidating Committee: Chess Lamberton, R. Lamberton and W. E. Barrow, care of the liquidating bank.
Absorbed by: The Exchange Bank & Trust Co., Franklin, Pa. $250,000

Says Housing Essential

President Roosevelt declared on Feb. 6 that "the goal of a slumless America must be preserved." In a message read to the annual meeting of the National Public Housing Conference in Washington, the President expressed regret that slum-clearance housing must be retarded substantially during the war. The Associated Press reported his message as follows:

> "The recognized need for adequate housing for all of our citizens has been emphasized by the special need for proper housing for civilian and enlisted personnel — and their families—concerned in the effort to win the war," Mr. Roosevelt said.
>
> "Adequate housing is a morale builder and is essential to the speed and efficiency of of our national defense work.
>
> "The program of clearing slums and providing decent homes for the ill-housed of our Nation in the years before the war laid the foundation for the intensified housing effort necessary today. The job of clearing the slums, which your conference helped to begin, of necessity must be reduced substantially for the duration. With the scarcity of building materials we can now afford to build homes only in defense areas. But the goal of a slumless America must be preserved.
>
> "I know that you recognize the social and economic importance of the public housing program in the period immediately following the winning of the war. . . . The recommendations of your conference and your assistance in setting up the proper machinery by the Federal Government and by local communities will be a real contribution toward post-war reconstruction."

World Prices Steady

General Motors Corp. and Cornell University, which prior to the European war had collaborated in the publication of a world commodity price index, have resumed issuance of international price statistics, but on a different basis than before the war. Instead of a composite index of world prices, these organizations now are publishing the information only as individual country indexes.

The index is built upon 40 basic commodities and the list is the same for each country in so far as possible. Each commodity is weighted uniformly for each country, according to its relative importance in world production. The actual price data are collected weekly by General Motors overseas operations from sources described as "the most responsible agencies available in each country usually a government department." The commodities involved include "a comprehensive list of several groups, including grains livestock and livestock products, miscellaneous foods (coffee, cocoa tea, sugar, &c.), textiles, fuels, metals and a list of other miscellaneous materials (rubber, hides, lumber, newsprint, linseed oil, &c.).' Weights assigned in the index to the different commodity groups are as follows: Grains, 20; livestock and livestock products, 19; vegetable fats and other foods, 9; textiles, 12; fuel, 11; metals, 11; miscellaneous, 18.

The indexes, which are based on prices expressed in the currency of each country, were reported Feb. 16 as follows:

(August, 1939=100)

	Argentina	*Australia*	*Canada*	*England*	*Java*	*Mexico*	*New Zeal'd*	*Sweden*	*Switzerland*	*United States*
1941—										
January	114	127	126	150	†120	111	119	144	†172	120
February	114	126	127	150	121	113	119	147	171	120
March	119	122	129	150	123	114	119	154	176	122
April	121	121	131	150	125	115	119	156	180	125
May	126	120	134	†152	129	117	120	156	189	129
June	133	121	137	155	131	119	121	155	193	132
July	†135	†121	†141	†156	†136	†125	†122	†155	194	†136
August	138	121	†142	157	138	127	123	156	196	138
September	†140	122	145	†157	138	†130	†123	156	203	143
October	140	123	143	†158	139	132	126	156	207	†140
November	†142	124	143	158	141	133	124	157	209	141
December	†143	122	†144	†159	---	†139	123	157	---	145
1942—										
January	144	123	146	160	---	140	123	157	---	151
1941—										
Weeks end.:										
Dec. 6	141	122	143	†159	*141	137	124	157	209	142
Dec. 13	†137	122	143	†160	---	139	123	157	*209	144
Dec. 20	†142	122	†143	†159	---	†139	123	157	---	†148
Dec. 27	†142	123	144	*160	---	139	123	157	---	147
1942—										
Jan. 3	142	123	144	160	---	140	123	157	---	148
Jan. 10	†143	123	†149	159	---	141	123	157	---	150
Jan. 17	145	123	146	*160	---	140	124	157	---	151
Jan. 24	145	*123	147	*160	---	139	123	157	---	151
Jan. 31	145	124	†151	*161	---	139	124	157	---	†151
Feb. 7	146	*124	151	*159	---	*139	124	157	---	150

* Preliminary. † Revised.

Electric Output For Week Ended Feb. 14, 1942, Shows 15.0% Gain Over Same Week in 1941

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power indusry of the United States for the week ended Feb. 14 1942, was 3,421,639,000 kwh., which compares with 2.976.478.000 kwh. in the corresponding period in 1941, a gain of 15.0%. The output for the week ended Feb. 7, 1942, was estimated to be 3.474.638.000 kwh., an increase of 16.2% over the corresponding week in 1941.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographic Divisions—	Week Ended Feb. 14, '42	Feb. 7, '42	Jan. 31, '42	Jan. 24, '42
New England	15.3	17.6	18.1	16.0
Middle Atlantic	12.7	14.7	12.7	11.6
Central Industrial	13.9	14.4	13.7	13.2
West Central	14.7	13.9	12.0	12.5
Southern States	15.3	15.2	17.5	16.9
Rocky Mountain	16.7	19.9	17.9	18.2
Pacific Coast	20.6	25.0	24.8	21.0
Total United States	15.0	16.2	15.8	14.8

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	*1941	1940	% Change 1941 over 1940	1939	1938	1937
Aug. 2	3 263.082	2 762,240	+18.1	2,399,805	2,193,750	2,341,103
Aug. 9	3.233 242	2.743 284	+17.9	2,413,600	2,198,266	2,360,9?0
Aug. 16	3.238 160	2.745,697	+17.9	2,453,556	2,206,560	2,365,859
Aug. 23	3.230,750	2.714.193	+19.0	2,434,101	2,202,454	2,351,233
Aug. 30	3.261.149	2,736 224	+19.2	2,442,021	2,216,648	2,380,301
Sept. 6	3.132.954	2 591.957	+20.9	2.375.852	2,109,985	2,211,398
Sept. 13	3 322.346	2.773 177	+19.8	2,532,014	2,279,233	2,338,370
Sept. 20	3.273.375	2.769 346	+18.2	2,538.118	2,211,059	2,231,277
Sept. 27	3.273.376	2.816 358	+16.2	2,558,538	2,207,942	2.331,415
Oct. 4	3,330 582	2.792.067	+19.3	2.554.290	2,228,586	2.339.384
Oct. 11	3 355 440	2.817.465	+19.1	2.583.366	2.251,089	2.324.750
Oct. 18	3 313 596	2 837 730	+16.8	2.576.331	2,281.328	2.327,212
Oct. 25	3.340 768	2.866 827	+16.5	2.622.267	2,283,831	2,297,785
Nov. 1	3 380.488	2 882 137	+17.3	2.608.664	2,270.534	2.245.449
Nov. 8	3 368 690	2.858.054	+17.9	2,588,618	2,276,904	2,214,337
Nov. 15	3 347 893	2 889 937	+15.8	2.587.113	2,325,273	2.263.679
Nov. 22	3 247 938	2 839,421	+14.4	2.560.962	2,247,712	2.104.579
Nov. 29	3 339 364	2.931 877	+13.9	2.605,274	2.334,690	2.179.411
Dec. 6	3 414.844	2.975.704	+14.8	2.654.395	2,376,541	2.234.135
Dec. 13	3 475 919	3.003 543	+15.7	2 694.194	2.390.388	2.241,972
Dec. 20	3 495 140	3 052 419	+14.5	2.712.211	2,424.935	2.053.944
Dec. 27	3.234.128	2,757.259	+17.3	2,464,795	2,174,816	2,033.319

Week Ended	1942	1941	% Change 1942 over 1941	1940	1932	1929
Jan. 3	*3 288 685	2.845,727	+15.6	2.558,180	1,619,265	1.542,000
Jan. 10	*3 472 579	3.002.454	+15.7	2.688.380	1,602.482	1.733.810
Jan. 17	3 450.468	3.012.638	+14.5	2.673.823	1.598.201	1.736.729
Jan. 24	3.440.163	2.996,155	+14.8	2.660.962	1.588.967	1.717.315
Jan. 31	3.468,193	2.994.047	+15.8	2,632,555	1.588.853	1.728.203
Feb. 7	3.474,638	2.989 392	+16.2	2.616,111	1 578,817	1.726,161
Feb. 14	3,421,639	2,976,478	+15.0	2,564,670	1,545,459	1,718,304

*Revised.

DATA FOR RECENT MONTHS (Thousands of Kilowatt-Hours)

	1941	1940	% Change 1941 over 1940	1939	1938	1937
January	13.149,116	11,683,430	+12.5	10,183,400	9.290,754	9,787,901
February	11,831,119	10,589,428	+11.7	9,256,313	8,396,231	8.911,125
March	12,882,642	10,974,335	+17.4	10,121,459	9,110,808	9,886,443
April	12,449,229	10,705,682	+16.3	9,525,317	8,607,031	9,573,698
May	13,218,633	11,118,543	+18.9	9,868,962	8,750,840	9,665,137
June	13,231,219	11,026,943	+20.0	10,068,845	8,832,736	9,773,908
July	13,836,992	11,616,238	+19.1	10,185,255	9,170,375	10,036,410
August	14,118,619	11,924,381	+18.4	10,785,902	9,801,770	10,308,884
September	13 901,644	11,484,529	+21.0	10,653,197	9,486,866	9,908,314
October	14 756 951	12 474 727	+18.3	11 289 617	9,844 519	10 065,805
November	13,974,232	12,213 543	+14.4	11,087,866	9,893,195	9,506,495
December	---------	12,842,218	---	11,476,294	10,372,602	9,717,471
Total for year		138,653,997		124,502,309	111,557,727	117,141,591

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1942— Daily Averages	U. S. Govt. Bonds	Avge. Corporate *	Corporate by Ratings * Aaa	Aa	A	Baa	Corporate by Groups * R. R.	P. U.	Indu
Feb. 17	116.03	106.56	116.02	113.50	107.80	91.48	96.85	110.52	113.50
16	116.30	106.74	116.22	113.50	107.80	91.62	97.00	110.70	113.31
14	116.39	106.74	116.22	113.50	107.80	91.77	97.00	110.52	113.50
13	116.27	106.74	116.41	113.50	107.80	91.77	97.16	110.70	113.50
12	STOCK EXCHANGE CLOSED								
11	116.56	106.74	116.22	113.50	107.08	91.77	97.00	110.70	113.70
10	116.70	106.74	116.22	113.70	107.98	91.77	97.16	110.70	113.70
9	116.93	106.92	116.22	113.70	107.98	91.91	97.16	110.52	113.70
7	117.01	106.92	116.22	113.70	107.93	91.91	97.16	110.52	113.70
6	117.02	106.74	116.41	113.50	107.80	91.91	97.16	110.70	113.70
5	117.10	106.92	116.41	113.70	107.80	91.91	97.16	110.52	113.70
4	117.10	106.74	116.22	113.70	107.80	91.91	97.16	110.52	113.70
3	117.16	106.74	116.22	113.70	107.80	91.91	97.16	110.52	113.50
2	117.17	106.74	116.22	113.50	107.80	92.06	97.31	110.52	113.50
Jan. 30	117.08	106.92	116.22	113.70	107.80	92.06	97.31	110.52	113.70
23	117.51	106.92	116.22	114.08	107.62	91.91	97.31	110.70	113.70
16	117.60	106.92	116.41	113.89	107.62	91.91	97.31	110.52	113.70
9	118.00	106.92	116.61	114.08	107.62	91.77	97.16	110.70	113.89
2	117.61	106.04	115.82	113.50	107.09	90.63	95.92	110.34	113.31
High 1942	118.10	106.92	116.61	114.08	107.98	92.06	97.47	110.88	113.89
Low 1942	116.03	106.04	115.32	113.50	107.09	90.63	95.92	110.34	113.31
High 1941	120.05	108.52	118.60	116.02	109.60	92.50	97.78	112.56	116.4
Low 1941	115.89	105.52	116.22	112.00	106.04	89.23	95.62	109.42	111.6
1 Year ago Feb. 17, 1941	115.99	105.69	117.40	112.93	106.21	89.37	95.77	109.42	112.9
2 Years ago Feb. 17, 1940	115.49	102.63	116.02	112.37	101.31	84.68	90.77	107.27	111.2

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1942— Daily Average	Avge. Corporate	Corporate by Ratings Aaa	Aa	A	Baa	Corporate by Groups R. R.	P. U.	Indu.
Feb. 17	3.36	2.85	2.98	3.29	4.31	3.95	3.14	2.98
16	3.35	2.84	2.98	3.29	4.30	3.94	3.13	2.99
14	3.35	2.84	2.98	3.29	4.29	3.94	3.14	2.98
13	3.35	2.83	2.98	3.29	4.29	3.93	3.13	2.98
12	STOCK EXCHANGE CLOSED							
11	3.35	2.84	2.98	3.29	4.29	3.94	3.13	2.97
10	3.35	2.84	2.97	3.28	4.29	3.93	3.13	2.97
9	3.34	2.84	2.97	3.28	4.28	3.93	3.14	2.97
7	3.34	2.84	2.97	3.28	4.28	3.93	3.14	2.97
6	3.35	2.83	2.98	3.29	4.28	3.93	3.13	2.97
5	3.34	2.83	2.97	3.29	4.28	3.93	3.14	2.97
4	3.35	2.84	2.97	3.29	4.28	3.93	3.14	2.97
3	3.35	2.84	2.97	3.29	4.28	3.93	3.14	2.98
2	3.35	2.84	2.98	3.29	4.27	3.92	3.14	2.98
Jan. 30	3.34	2.84	2.97	3.29	4.27	3.92	3.14	2.97
23	3.34	2.84	2.95	3.30	4.28	3.92	3.13	2.97
16	3.34	2.83	2.96	3.30	4.28	3.92	3.14	2.97
9	3.34	2.82	2.95	3.30	4.29	3.93	3.13	2.9
2	3.39	2.86	2.98	3.33	4.37	4.01	3.15	2.99
High 1942	3.39	2.86	2.98	3.33	4.37	4.01	3.15	2.99
Low 1942	3.34	2.82	2.95	3.28	4.27	3.91	3.12	2.9
High 1941	3.42	2.86	3.06	3.39	4.47	4.03	3.20	3.08
Low 1941	3.25	2.72	2.85	3.19	4.24	3.89	3.03	2.8
1 Year ago Feb. 17, 1941	3.41	2.78	3.01	3.38	4.46	4.02	3.20	3.0
2 Years ago Feb. 17, 1940	3.59	2.85	3.04	3.67	4.81	4.36	3.32	3.10

* These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market

† The latest complete list of bonds used in computing these indexes was published in the issue of Oct. 2. 1941, page 409.

Latest Summary Of Copper Statistics

The Copper Institute on Feb. 13 released the following statistics pertaining to production, deliveries and stocks of duty-free copper:

SUMMARY OF COPPER STATISTICS REPORTED BY MEMBERS OF THE COPPER INSTITUTE
(In Tons of 2,000 Pounds)

U. S. Duty Free Copper	Production *Crude	Refined	Deliveries to Customers §Domestic	Export	†Refined Stocks End of Period	Stock Increases (+) or Decreases (—) Blister	Refined
Year 1935	------	------	------	------	231,415	------	------
Year 1936	731,629	748,660	764,560	54,447	101,068	—17,031	—70.34
Year 1937	982,045	964,176	803,095	62,798	259,351	+17,869	+98.28
Year 1938	644,869	638,076	481,803	125,869	289,755	+6,793	+30.404
Year 1939	836,074	818,289	814,407	134,152	159,485	+17,785	—130 27
Year 1940	992,293	1,033,710	1,001,886	48,537	142,772	—41,4'7	—16 71
Year 1941	‡1,016,996	1,065,667	‡1,545,541	307	75.564	—c48,671	—67,208
Jan., 1941	83,280	93,840	119,736	22	116,854	—10,560	—25,91
Feb., 1941	79.240	93,654	112.808	11	97.689	—14,414	—19.16
Mar., 1941	85,701	95,322	134,333	6	89.873	—9,621	—7.81
Apr., 1941	88,042	89,687	123,580	49	98,789	—1,645	+8.91
May, 1941	90,342	89,390	‡148,301	--	93,076	+ 952	— 5.71
June, 1941	82,553	88.560	‡121.331	42	98,164	— 6.002	+ 5.08
July, 1941	82,099	86,879	‡150.078	33	74,384	— 4,780	—23,78
Aug., 1941	84,695	85,426	‡119,937	--	71.930	— 731	— 2.45
Sept., 1941	81.839	81,553	‡125,585	--	63,670	+ 286	— 8 26
Oct., 1941	86,019	86,617	‡125,622	144	67.260	— 593	+ 3,590
Nov., 1941	84,718	84,799	‡124,645	--	72.352	— 81	+ 5.09
Dec., 1941	‡88,463	89.940	‡138,585	--	75.564	— ‡1,477	+ 3,21
Jan., 1942	88,319	90,017	130,467	--	81,371	— 1,698	+ 5,307

*Mine or smelter production or shipments. and custom intake including scrap.

†At refineries, on consignment and in exchange warehouses, but not including consumers' stocks at their plants or warehouses.

§Beginning March, 1941, includes deliveries of duty paid foreign copper for domestic consumption.

‡Corrected.

Bank Debits Up 37% From Last Year

Bank debits as reported by banks in leading centers for the week ended Feb. 11 aggregated $9,492,000.000. Total debits during the 13 weeks ended Feb. 11 amounted to $148,956.000,000, or 20% above the total reported for the corresponding period a year ago. At banks in New York City there was an increase of 13% compared with the corresponding period a year ago, and at the other reporting centers there was an increase of 24%.

SUMMARY BY FEDERAL RESERVE DISTRICTS
(In millions of dollars)

Federal Reserve District—	Week Ended Feb. 11, 1942	Feb. 12, 1941	13 Weeks ended Feb. 11, 1942	Feb. 12, 1941
Boston	572	467	8,695	7,350
New York	3,508	2,616	58,523	51,654
Philadelphia	544	389	8,169	6,730
Cleveland	711	483	11,038	8,947
Richmond	415	333	5,969	4,862
Atlanta	367	271	5,086	4,023
Chicago	1,448	1,012	22,501	18,212
St. Louis	319	241	4.921	3,856
Minneapolis	184	120	2,811	2,134
Kansas City	312	241	4,730	3,707
Dallas	262	183	4,111	3,154
San Francisco	848	566	12,402	9,915
Total, 274 reporting centers	9,492	6,923	148,956	124,544
New York City*	3.134	2.365	53,251	47,310
140 Other centers*	5,448	3,908	82,603	66.840
133 Other reporting centers	910	650	13,103	10,394

*Included in the national series covering 141 centers, available beginning with 1919

Census Economizing

All officials and employees of the Census Bureau are determined to effect every reduction in non-Defense expenditures of the taxpayers' money that is at all possible, so there may be more funds and more material available for the supreme purpose of winning this war, J. C. Capt, Director of the Census recently announced and added:

Accordingly, the general distribution of Census publications and other releases, as practiced in peacetime, is discontinued. Hereafter, reports will only be sent, when available, in response to specific, written requests which should briefly explain your need so that substitute material may be sent if the publication specifically requested is not available.

Because of the great variety of reports, some are already in process of being printed or in our stock room for distribution. Therefore, as your name now appears on our mailing list, you may, for a short time, continue to receive such reports in response to the pre-war requests you made for them. But after this pending distribution has been completed, no more reports will be forthcoming save those specifically requested by you hereafter.

In order that the purpose of the Bureau's action in limiting distribution of publications to save paper and expenses during the wartime period may not be defeated, you are earnestly requested to carefully evaluate your needs for Census publications and limit your future requests to an absolute minimum.

While our distribution of free Census publications is being cut to the bone, the Bureau realizes that the data it has assembled at the cost of many millions of dollars to the Federal Government are of increased value as basic information for planning both for wartime operations and post-war readjustments. Therefore, so that interested persons may not be cut off entirely from access to the considerable range of Census publications as may be essential to them, the Bureau will continue supplying certain strategically located libraries with one complete file of Census publications. Upon request, the Bureau will be glad to furnish you with a list of the libraries in your State which maintain a file of Census publications.

You are reminded, also, that most of the final published Census reports may be purchased from the Superintendent of Documents, Government Printing Office, Washington, D. C. If you should need material on a wide range of subjects and do not find the publications readily available in the libraries most accessible to you, we shall be glad to supply you with a price list of publications on the subjects in which you are interested. Your orders and remittances must be transmitted directly to the Superintendent of Documents.

Vote Airplane Expansion

A $12,556,672,474 appropriation for the military establishment was signed by President Roosevelt on Jan. 30. Of the total appropriated, the War Department receives $12,525.872,474 for expansion of the airplane program to cover the production and equipping of 33,000 planes, including 23,000 fighters and 10,000 trainer craft. Also included was $30.000,000 for the construction of Douglas Dam in the Tennessee Valley, and $800,000 for State Department foreign service transportation costs.

The legislation, cited as the "Fourth Supplemental National Defense Appropriation Act, 1942," passed the Senate on Jan. 24 and the House on Jan. 23.

AIB Shortens Convention

In recognition of the burdens being placed on the banks of the country by the nation's war program, the annual convention of the American Institute of Banking to be held this year at New Orleans will be shortened by a day and a half, it is announced by George T. Newell, President of the Institute, who is Vice-President of the Manufacturers Trust Co., New York. The dates will be June 8-11. This decision was made by the Executive Council of the Institute at its recent mid-winter meeting. The emphasis of the convention will be more than ever on the study side, Mr. Newell states. It is desired to give the delegates just as intensive and valuable a program as ever, he says, but with the shortest possible absence from their desks at home.

There will be no sacrifice whatever of the study conferences and business sessions that have characterized AIB convention programs, Mr. Newell states. In fact, these will be intensified. The changes he indicates will be made possible by curtailing the usual entertainment features. The first day customarily devoted to registration and sightseeing will be devoted to registration and conferences and the outing usually held on Wednesday afternoon and evening will be omitted and conferences substituted for it. The announcement also says:

> The annual public speaking contest will be held Monday evening, June 8, the first general session, Tuesday morning, June 9. The national debate will be held Tuesday evening, June 9, and the pre-election caucuses will be held Wednesday evening, June 10.
>
> The grand ball, usually the closing feature, will follow the caucuses on Wednesday evening, June 10. The convention will close with the second general session, Thursday morning, June 11.

Smith On CCC Cotton Div.

The Department of Agriculture on Jan. 30 said C. C. Smith had been appointed Assistant Director of the Cotton Division of the Commodity Credit Corporation to succeed E. D. White, who recently was named Assistant Chief of the Agricultural Adjustment Administration. The announcement also stated:

> Mr. Smith has been with the Extension Service of the Department as a District Agent, with headquarters in Greenwood, Miss. He is known throughout the South as a specialist in cotton production and marketing problems. In his new position, Mr. Smith will be in the Washington office of CCC with G. E. Rathell, director of the Cotton Division, in administering the cotton loan program.

FDR Tribute To Lincoln

President Roosevelt paid tribute on Feb. 12 to the memory of Abraham Lincoln at a brief ceremony held at the Lincoln Memorial in Washington on the 133rd anniversary of the birth of the Civil War President. The President stood by as a military aide placed a wreath at the foot of Lincoln's statue. He was accompanied by Brig. Gen. Edwin M. Watson, his secretary and chief military aide, and Captain John L. McCrea, his naval aide.

In Springfield, Ill., Lord Halifax, British Ambassador to the United States, laid a wreath at the tomb of Abraham Lincoln on behalf of the British people, while in Lincoln, England, John G. Winant, American Ambassador to Britain, was the guest of honor at a luncheon commemorating Lincoln's birth.

Steel Production Continues To Increase—Need For Plates Higher Than Expected

Steel output this week touched a new high, exceeding the previous record established in early November of last year by a half point, states "The Iron Age" in its issue of today (Feb. 19). Thus steel plants in the United States reacted to Singapore's fall and other bad news from World War fronts. Steel production for the week was at 98.5%, a gain of a point over last week's rate and a half point above the previous peak of early November, 1941, adds the "Age," which further goes on to say:

Operating increases in various steel areas are small and scattered. Pittsburgh in unchanged at 97% while the Chicago rate is up 1½ points to 104%. The Philadelphia district rate rose a half point to 91% and Cleveland gained three points to 98%. Youngstown dropped two points to 95%. Buffalo was unchanged at 90% and Wheeling held at 88%. The South Ohio River plants eased seven points to 98% and the Eastern mills gained eight points to 113%.

Although final reports are not yet completed, it is estimated that some 7,100,000 tons of Lake Superior iron ore were consumed in January, 1942, as compared with 6,331,018 gross tons consumed in the corresponding month of 1941. January consumption apparently broke all previously existing records including the one set in December, 1941, when 7,061,981 gross tons were used. Estimated January stocks of iron ore at furnaces in the United States were approximately 27,225,000 tons.

A factor in the current improvement in the steel melting rate is the more vigorous effort by scrap dealers and the mills to increase the flow of scrap despite bad weather in some areas. Government seizures of automobile graveyards in various areas are expected shortly. Last week the country was divided into sectors for supervision of the auto-graveyard program. The Office of Price Administration has drawn "time tables" outlining its various steps against un-cooperative auto wreckers.

With appeals being made for industrial management and all other classes of the population to sacrifice more and work harder for greater output of war goods, industry this week noted with misgivings that the steel labor situation was working up to another critical point. Increasing its pressure to win a $1 a day wage increase, as well as the check off of union dues and the closed shop, the Steel Workers Organizing Committee is preparing to seek Labor Board elections at all points of the United States Steel Corporation in an attempt to establish the union, now solely representing its members, as exclusive bargaining agent. The SWOC is expected soon to invoke the 20-day clause in its contract with United States Steel subsidiaries to place before the corporation wage demands already made on Bethlehem Steel Co., Youngstown Sheet & Tube Co., Inland Steel Co. and Republic Steel Corp.

Steel orders during the last 10 days have run ahead of the corresponding period of January. Although necessary civilian requirements such as repair and maintenance are likely to be met, heavy war needs will blot out all other requirements for some months to come. More plates will be needed than generally supposed and munition requirements may expand sharply before the end of the year. The need for ships overshadows all other demand and is diverting a very large tonnage of steel from other uses.

Demand for structural shapes for freight cars and rehabilitation of new factory buildings, including such items as a new $13,000,000 ordnance plant to be built in Ohio for the War Department, is so heavy that complete allocation for this product is likely. The already rigid controls over production, consumption and allocation of steel plates were reinforced this week by a WPB request for detailed information from plate makers and consumers.

Structural steel awards for the week are estimated at 22,900 tons against 25,000 tons last week with new projects at 18,100 tons against 25,500 tons. Reinforcing steel awards are at 36,000 tons compared with 9,450 tons while new jobs total 10,000 tons against 19,410 tons last week.

THE "IRON AGE" COMPOSITE PRICES

Finished Steel

Feb. 17, 1942, 2.30467c. a Lb.

One week ago	2.30467c.
One month ago	2.30467c.
One year ago	2.30467c.

A weighted index based on steel bars, beams, tank plates, wire, rails, black pipe, hot and cold-rolled sheets and strip. These products represent 78% of the United States output.

	High		Low	
941	2.30467c.		2.30467c.	
940	2.30467c.	Jan 2	2.24107c.	Apr 16
939	2.35367c.	Jan 3	2.26689c.	May 16
938	2.58414c.	Jan 4	2.27207c.	Oct 18
937	2.58414c.	Mar 9	2.32263c.	Jan 4
936	2.32263c.	Dec 28	2.05200c.	Mar 10
935	2.07642c.	Oct 1	2.06492c.	Jan 8
934	2.15367c.	Apr 24	1.95757c.	Jan 2
933	1.95578c.	Oct 3	1.75836c.	May 2
932	1.89196c.	Jly 5	1.83901c.	Mar 1
931	1.99629c.	Jan 13	1.86586c.	Dec 29
930	2.25488c.	Jan 7	1.97319c.	Dec 9
929	2.31773c.	May 28	2.26498c.	Oct 29

Pig Iron

Feb. 17, 1942, $23.61 a Gross Ton

One week ago	$23.61
One month ago	23.61
One year ago	23.45

Based on averages for basic iron at Valley furnaces and foundry iron at Chicago, Philadelphia, Buffalo, Valley and Southern iron at Cincinnati

	High		Low	
1941	$23.61	Mar 20	$23.45	Jan 2
1940	23.45	Dec 23	22.61	Jan 2
1939	$22.61	Sep. 19	$20.61	Sep. 12
1938	23.25	Jun. 21	19.61	Jul. 6
1937	23.25	Mar. 9	20.25	Feb. 16
1936	19.74	Nov. 24	18.73	Aug. 11
1935	18.84	Nov. 5	17.83	May 14
1934	17.90	May 1	16.90	Jan. 27
1933	16.90	Dec. 5	13.56	Jan. 3
1932	14.81	Jan. 5	13.56	Dec. 6
1931	15.90	Jan. 6	14.79	Dec. 15
1930	18.21	Jan. 7	15.90	Dec. 16
1929	18.71	May 14	18.21	Dec. 17

Steel Scrap

Feb. 17, 1942, $19.17 a Gross Ton

One week ago	$19.17
One month ago	19.17
One year ago	20.08

Based on No. 1 heavy melting steel scrap quotations to consumers at Pittsburgh, Philadelphia, and Chicago.

	High		Low	
1941	$22.00	Jan. 7	$19.17	Apr. 10
1940	21.83	Dec. 30	16.04	Apr. 9
1939	22.50	Oct. 3	14.08	May 16
1938	15.00	Nov. 22	11.00	Jun. 7
1937	21.92	Mar. 30	12.92	Nov. 10
1936	17.75	Dec. 21	12.67	Jun. 9
1935	13.42	Dec. 10	10.33	Apr. 29
1934	13.00	Mar. 13	9.50	Sep. 25
1933	12.25	Aug. 8	6.75	Jan. 3
1932	8.50	Jan. 12	6.43	Jul. 5
1931	11.33	Jan. 6	8.50	Dec. 29
1930	15.00	Feb. 18	11.25	Dec. 9
1929	17.58	Jan. 29	14.08	Dec. 3

The American Iron and Steel Institute on Feb. 16 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 96.2% of capacity for the week beginning Feb. 16, compared with 95.5% one week ago, 95.0% one month ago and 94.6% one year ago. This represents an increase of 0.7 point or 0.7% from the preceding week. The operating rate for the week beginning Feb. 16 is equivalent to 1,634,100 tons of steel ingots and castings, compared to 1,622,400 tons one week ago, 1,614,200 tons two weeks ago, 1,607,600 tons for the week beginning Jan. 26, 1,614,200 tons for the week beginning Jan. 19, 1,615,800 tons for the week beginnig Jan. 12, 1,592,700 tons for the week beginning Jan. 5, and 1,526,700 tons one year ago. Weekly indicated rates of steel operations since Feb. 3, 1941, follow:

1941—		May 12	99.2%	Aug 25	96.5%	Dec 8	97.5%
Feb 3	96.9%	May 19	99.9%	Sep 2	96.3%	Dec 15	97.9%
Feb 10	97.1%	May 26	98.6%	Sep 8	96.9%	Dec 22	93.4%
Feb 17	94.6%	Jun 2	99.2%	Sep 15	96.1%	Dec 29	96.1%
Feb 24	96.3%	Jun 9	98.6%	Sep 22	96.8%		
Mar 3	97.5%	Jun 16	99.0%	Sep 29	96.9%	1942—	
Mar 10	98.8%	Jun 23	99.9%	Oct 6	98.1%	Jan. 5	*93.8%
Mar 17	99.4%	Jun 30	91.8%	Oct 13	98.4%	Jan. 12	*95.1%
Mar 24	99.8%	Jly 7	94.9%	Oct 20	97.8%	Jan. 19	*95.0%
Mar 31	99.2%	Jly 14	95.2%	Oct 27	99.9%	Jan. 26	*94.6%
Apr 7	99.3%	Jly 21	96.0%	Nov 3	98.2%	Feb. 2	*95.0%
Apr 14	98.3%	Jly 28	97.6%	Nov 10	96.6%	Feb. 9	*95.5%
Apr 21	96.0%	Aug 4	96.3%	Nov 17	97.0%	Feb. 16	96.2%
Apr 28	94.3%	Aug 11	95.6%	Nov 24	95.9%		
May 5	96.8%	Aug 18	96.2%	Dec 1	97.6%		

*Revised figure.

"Steel" of Cleveland, in its summary of the iron and steel markets on Feb. 16, stated:

Each month sees the steel industry more wholly concentrated on war preparations, with better control of production and distribution. Close cooperation of government bodies and steel producers is working out a pattern for most efficient use of resources and every ton of steel is being utilized to the utmost.

While many details remain to be adjusted the general picture has cleared and progress is much better than a few months ago. Further controls are being imposed and necessary materials thereby directed into channels of vital importance to the war effort.

To co-ordinate the war efforts of Canada and the United States the former has been placed on practically the same priority basis as the latter for all war and essential civilian supplies. Applications for priority made by Canadian steel users will be handled on the same basis as from those in the United States. Canada's greatest need is for plates for shipbuilding and mills are booked far ahead. Additional plate mills are under construction but in the meantime aid is needed from this country.

Railroads continue to place orders for rolling stock, 4,300 cars being bought thus far in February, exceeding the total for all January. Locomotive orders also are heavy, both for road engines and switches. Builders are working toward fulfillment of the promise of 36,000 new cars by May 1, deemed necessary to meet heavy traffic demands.

Steel production last week was 1 point above the preceding week, at 97%. Detroit advanced 6 points to 91%, Pittsburgh 1½ points to 90½, Wheeling 6½ points to 90½, New England 8 points to 100, Cleveland 2 points to 86½ and Youngstown 1 point to 89. Cincinnati lost 3 points to 84% and Chicago ½-point to 102½. Rates were unchanged at Buffalo, 79½; St. Louis 78; Birmingham, 90; eastern Pennsylvania, 90.

Steel ingot and castings production in January, 7,129,351 net tons, set a new record for that month, 3% above the previous record, made in January, 1941. Though slightly less than output in December, it was the fourth largest tonnage for any month in the industry's history. New ingot capacity figures have been issued by the American Iron and Steel Institute, 88,570,000 net tons, as of Jan. 1, an increase of 4,418,000 tons over Jan. 1, 1941, and 2,421,000 tons over July 1. Pig iron capacity is 60,394,000 net tons, an increase of 2,784,000 tons over Jan. 1, 1941.

Government agencies are tightening regulations on tin plate makers and can manufacturers. The latter are ordered to give full preference to Army and Navy orders and to reduce the number of sizes, almost eliminating small cans. Products for which tin cans can be used are designated. Electrolytic tin coating is seen as a solution of tin conservation as the thickness of tin can be exactly controlled.

War Production Board has asked blast furnace operators to schedule their relining work for 1942 to the end that plans may be made to avoid too many stacks being idle at the same time, which would interfere with supply and increase difficulties of allocating tonnage. Distribution under allocations has been working smoothly for several months and every effort is being made to keep production as steady as possible.

Office of Price Administration has issued further revisions in the scrap schedule to eliminate difficulties that have arisen in interpretation. Better definition of unprepared scrap is given and a differential established for hydraulic bundles containing tin-coated material, according to the percentage of the latter. Regulations governing preparation of remote scrap, delivery by motor and the ceiling of heavy melting steel in the Boston switching district are slightly changed.

Scrap supply has not improved materially and return of winter weather in northern districts has hampered collection and preparation. Various campaigns to uncover dormant supplies have not yet made appreciable headway and such as has been brought out has been absorbed quickly. Automobile wrecking yards are beginning to move their material but not sufficient has been shipped to relieve the situation.

Composite prices continue at the level of several months: Finished steel $56.73, semifinished steel $36, steelmaking pig iron $23.05 and steelmaking scrap $19.17.

Anthracite Shipments—January, 1942

Shipments of anthracite for the month of January, 1942, as reported to the Anthracite Institute, amounted to 3,751,707 net tons. This is an increase, as compared with shipments during the preceding month of December, of 385,596 net tons, or 11.5%, and when compared with January, 1941, shows a decrease of 458,449 net tons, or 10.9%.

Shipments by originating carriers (in net tons) were reported as follows:

Month of—	Jan. 1942	Dec. 1941	Jan. 1941	Dec. 1940
Reading Co.	918,922	823,028	980,626	878,812
Lehigh Valley RR.	738,117	578,063	778,048	701,173
Central RR. of New Jersey	334,460	319,621	413,710	376,823
Delaware Lackawanna & Western RR.	441,586	454,506	574,782	530,525
Delaware & Hudson RR. Corp.	319,204	269,759	377,128	316,878
Pennsylvania RR.	414,047	379,961	422,816	396,443
Erie RR.	314,954	289,764	350,721	328,342
New York Ontario & Western Ry.	78,452	67,915	98,050	90,833
Lehigh & New England RR.	191,965	183,494	214,275	164,964
Total	3,751,707	3,366,111	4,210,156	3,784,798

Nov. Statistics For Electric Lt. & Pr. Industry

Electrical research statistics for the month of November, 1941, and 1940, covering 100% of the electric light and power industry, as released on Feb. 3 by the Edison Electric Institute, follow:

SOURCE AND DISPOSAL OF ENERGY

	Month of November 1941	Month of November 1940	% Change
*Generation (net)—			
By fuel burning plants	10,395,271,000	8,730,618,000	+19.1
By water power plants	4,085,777,000	4,033,890,000	+ 1.3
Total generation	14,481,048,000	12,764,508,000	+13.4
Add—Net imports over intern. boundaries	81,833,000	75,732,000	+ 8.1
Less—Company use	268,542,000	146,013,000	+83.9
Less—Energy used by producer	320,107,000	480,684,000	—33.4
Net energy for distribution	13,974,232,000	12,213,543,000	+14.4
Losses and unaccounted for	1,685,968,000	1,636,900,000	+ 3.0
Sales to ultimate customers	12,288,264,000	10,576,643,000	+16.2

CLASSIFICATION OF SALES

Number of Customers—	As of November 30 1941	As of November 30 1940	% Change
Residential or domestic	25,955,582	24,907,175	+ 4.2
Rural (distinct rural rates)	984,328	683,515	
Commercial or industrial:			
Small light and power	4,295,223	4,252,548	+ 0.8
Large light and power	174,183	180,567	
Other customers	121,541	114,689	
Total ultimate customers	31,530,857	30,138,494	+ 4.6

Kilowatt-Hour Sales—	Month of November 1941	Month of November 1940	% Change
Residential or domestic	2,266,037,000	2,093,071,000	+ 8.3
Rural (distinct rural rates)	169,892,000	131,322,000	+29.4
Commercial or industrial:			
Small light and power	2,163,485,000	1,969,874,000	+ 9.8
Large light and power	6,652,829,000	5,379,431,000	+23.7
Street and highway lighting	205,874,000	201,203,000	+ 2.3
Other public authorities	281,375,000	236,769,000	+18.8
Railways and railroads:			
Street and interurban railways	327,422,000	338,487,000	— 3.3
Electrified steam railroads	175,237,000	165,582,000	+ 5.8
Interdepartmental	46,815,000	60,904,000	—23.1
Total to ultimate customers	12,288,966,000	10,576,643,000	+16.2
Revenue from ultimate customers	$233,962,800	$214,160,800	+ 9.2

RESIDENTIAL OR DOMESTIC SERVICE (Revised Series)

Average Customer Data—	12 Months Ended Nov. 30 1941	12 Months Ended Nov. 30 1940	% Change
Kilowatt-hours per customer	983	945	+4.0
Average annual bill	$36.76	$36.48	+0.8
Revenue per kilowatt-hour (cents)	3.74	3.86	—3.1

*By courtesy of the Federal Power Commission.

Daily Average Natural Gasoline Output Off in December—1941 Production 15% Higher

The daily average production of natural gasoline and recycle condensate decreased in December, 1941, according to reports received by the Bureau of Mines, U. S. Department of the Interior. The daily average in December was 8,240,000 gallons compared with 8,392,000 gallons in November. The total production for the year 1941 was 2,696,568,000 gallons, or 15% more than the 1940 production of 2,339,400,000 gallons. Stocks continued to decrease, amounting to 179,550,000 gallons on Dec. 31 compared with 191,394,000 gallons on Nov. 30 and 239,568,000 on hand Dec. 31, 1940.

PRODUCTION AND STOCKS OF NATURAL GASOLINE
(Thousands of Gallons)

	Production				Stocks			
					Dec. 31, 1941		Nov. 30, 1941	
	Dec. 1941	Nov. 1941	Jan.-Dec. 1941	Jan.-Dec. 1940	At refineries	At plants & Terminals	At refineries	At plants & Terminals
East Coast	----	----	----	----	6,426	----	6,636	----
Appalachian	9,984	9,320	92,012	82,232	252	4,284	714	4,231
Ill., Mich., Ky.	7,734	7,350	68,811	34,957	3,612	699	4,578	574
Oklahoma	32,491	33,097	381,111	399,369	1,890	13,350	1,260	23,097
Kansas	6,905	6,804	72,443	64,691	84	1,320	84	1,531
Texas	112,720	110,129	1,182,872	932,040	12,726	53,904	10,416	67,796
Louisiana	24,942	25,090	183,139	113,741	84	3,780	126	2,928
Arkansas	3,086	3,149	35,394	32,096	756	213	546	503
Rocky Mountain	8,698	8,784	100,817	92,798	3,528	1,289	4,116	1,984
California	48,884	48,025	579,969	587,476	69,636	1,717	58,506	1,768
Total	255,444	251,748	2,696,568	2,339,400	98,994	80,556	86,982	104,412
Daily average	8,240	8,392	7,388	6,392	----	----	----	----
Total (thousands of barrels)	6,082	5,994	64,204	55,700	2,357	1,918	2,071	2,486
Daily average	196	200	176	152	----	----	----	----

January Department Store Sales

The Board of Governors of the Federal Reserve System announced on Feb. 13 that in January value of sales at department stores showed a much smaller decline than is usual after the Christmas season and the Board's adjusted index rose to 138% of the 1923-25 average as compared with 111 in December and a previous peak of 134 last August.

INDEX OF DEPARTMENT STORE SALES† 1923-25 AVERAGE=100

	Jan. 1942	Dec. 1941	Nov. 1941	Jan. 1941
Adjusted for seasonal variation	138	111	116	101
Without seasonal adjustment	107	197	133	79

Change from Corresponding Period a Year Ago (%)

Federal Reserve District	One week ending Feb. 7	Jan. 31	Jan. 24	Jan. 17	Four weeks ending Feb. 7	Jan. 31	Dec. 27	Nov. 29	Year to Feb. 7
Boston	+ 6	+26	+44	+51	+31	+38	+ 9	+15	+32
New York	+15	+23	+28	+43	+27	+31	+ 7	+ 7	+27
Philadelphia	+25	r +39	+30	+62	+38	+41	+12	+16	+36
Cleveland	+20	+41	+45	+58	+40	+46	+14	+18	+39
Richmond	+37	+43	+48	+50	+44	+45	+16	+22	+41
Atlanta	+ 8	r +15	+25	+36	+20	+24	+13	+18	+20
Chicago	+23	r +28	+33	+47	+33	+34	+11	+12	+31
St. Louis	+24	r +30	+37	+48	+34	+37	+16	+18	+33
Minneapolis	*	*	*	*	+32	r +31	+11	+10	+29
Kansas City	+19	+21	+34	+44	+29	+34	+13	+ 8	+30
Dallas	+13	r +16	+25	+24	+19	r +25	+13	+15	+23
San Francisco	+22	+28	+31	+28	+27	+29	+11	+17	+27
U. S. total	+20	+29	+34	+45	+32	+35	+11	+14	+31

WEEKLY INDEX, WITHOUT SEASONAL ADJUSTMENT, 1935-39=100

1942—		1941—	
Jan. 17	131	Jan. 18	90
Jan. 24	119	Jan. 25	89
Jan. 31	121	Feb. 1	94
Feb. 7	114	Feb. 8	95

*Not shown separately but included in United States total. †Monthly indexes refer to daily average sales in calendar month; January 1942 figures estimated from weekly sales. January this year had five Saturdays whereas last year there were only four. r Revised.

Market Value Of Stocks On N. Y. Curb Declined In 1941 But Bonds Show Gain

The total market value of stocks on the New York Curb Exchange declined during 1941 while the total market value of the bonds showed a gain, according to the Exchange's compilation issued Jan. 23. The Exchange states:

> The number of stock issues, both listed and unlisted, declined from 1,059 to 1,018. The total market value of the outstanding shares in these issues declined from $8,612,037,861 to $7,354,311,836, a drop of 14.6% while the average price per share fell from $12.73 to $11.01, a decline of 13.5%.
>
> Total number of bond issues declined from 280 to 245 although the total amount outstanding declined less than half of 1%, from $3,406,723,843 to $3,390,594,608. At the same time, however, a rise in the average price per bond from $89.35 at the end of 1940 to $90.36 at the end of 1941 boosted the total market value from $3,043,744,446 to $3,063,680,850.
>
> It was notable that, although the number of listed bond issues remained exactly the same, the amount outstanding rose from $290,874,435 to $403,683,160, a gain of 38.8% while the market value rose from $269,183,750 to $378,725,878, a gain of 40.7%.

NEW YORK CURB EXCHANGE
[Market Value of Securities as of Dec. 31, 1940 and 1941]

STOCKS

	Dec. 31, 1940	Dec. 31, 1941
Listed—		
Common (1)		
Number of issues	376	362
Amount outstanding (shares) (3)	215,810,497	210,682,197
Total market value (5)	$1,013,514,333	$740,800,863
Average price per share (6)	$4.70	$3.51
Preferred (2)		
Number of issues	117	110
Amount outstanding (shares) (3)	11,839,956	10,832,683
Total market value (5)	$385,596,329	$316,711,716
Average price per share (6)	$32.57	$29.24
Unlisted—		
Common (1)		
Number of issues	373	362
Amount outstanding (shares) (4)	407,051,100	405,784,380
Total market value (5)	$5,245,332,375	$4,477,889,841
Average price per share (6)	$12.89	$11.04
Preferred (2)		
Number of issues	193	184
Amount outstanding (shares) (4)	41,935,371	40,709,541
Total market value (5)	$1,967,594,824	$1,818,909,416
Average price per share (6)	$46.92	$44.68
All stocks—		
Number of issues	1,059	1,018
Amount outstanding (shares) (3) (4)	676,636,924	668,008,801
Total market value (5)	$8,612,037,861	$7,354,311,836
Average price per share (6)	$12.73	$11.01

BONDS

	Dec. 31, 1940	Dec. 31, 1941
Listed—		
Number of issues	33	33
Amount outstanding (3)	$290,874,435	$403,683,160
Total market value (5)	$269,183,750	$378,725,878
Average price per bond (6) (7)	$92.54	$93.82
Unlisted—		
Number of issues	247	212
Amount outstanding (4)	$3,115,849,408	$2,986,911,448
Total market value (5)	$2,774,560,696	$2,684,954,972
Average price per bond (6) (7)	$89.05	$89.89
All Bonds—		
Number of issues	280	245
Amount outstanding (3) (4)	$3,406,723,843	$3,390,594,608
Total market value (5)	$3,043,744,446	$3,063,680,850
Average price per bond (6) (7)	$89.35	$90.36

(1) Includes warrants.
(2) Includes securities not necessarily designated as "preferred," but which as to dividends, or assets, or both, rank prior to junior securities.
(3) Represents, as to listed securities, amounts actually outstanding as at dates of above tables.
(4) As to unlisted securities, the amounts outstanding are as per the latest report issued prior to the date of each period indicated in the above tables.
(5) Based on last sale price on last trading day of each period, or in the absence of a sale on such day, the mean of the closing bid and asked price on such day. In some instances, in the absence of both sale and asked price on the last trading day in each period, the closing bid price was used in computing market values.
(6) Average price found by dividing the total market value by the total shares of stock or principal amount of bonds outstanding.
(7) Expressed in dollars per $100 of par value.

The London Stock Exchange

Quotations of representative stocks as received by cable each day of the past week:

	Saturday Feb. 7	Monday Feb. 9	Tuesday Feb. 10	Wednesday Feb. 11	Thursday Feb. 12	Friday Feb. 13
Boots Pure Drugs		33/–	32/9	32/–	31/9	31/9
British Amer. Tobacco	Closed	78/3	77/–	77/–	76/3	76/3
Cable & Wire ord*		£69	£68¼	£68	£68	£66½
Central Min. & Invest.		£13	£12¾	£12¾	£12½	£12½
Cons. Goldfields of S. A.		39/3	39/3	38/3	37/6	37/6
Courtaulds (S.) & Co.		33/6	33/3	32/9	32/–	32/6
De Beers		£8	£7⅞	£7⅞	£7 9/16	£7⅝
Distillers Co.		74/6	74/9	75/–	74/6	74/6
Electric & Musical Ind.		14/6	14/6	14/6	14/–	13/9
Ford Ltd		26/–	26/–	26/–	25/6	25/6
Hudsons Bay Company		24/6	24/–	24/–	24/–	24/–
Imp. Tob. of G. B. & I.		130/–	130/–	129/3	126/3	129/–
London Midland Ry.*		£18⅛	£18	£17½	£17½	£17⅜
Metal Box		76/–	76/–	76/–	76/–	76/–
Rand Mines		£6⅞	£6⅞	£6⅞	£6⅞	£6⅞
Rio Tinto		£8	£8	£8	£8	£8
Rolls Royce		88/9	90/–	90/–	87/–	87/6
Shell Transport		47/6	45/9	45/–	45/–	43/9
United Molasses		32/–	31/6	31/3	30/6	30/6
Vickers		16/6	16/6	16/6	16/6	16/6
West Witwatersrand Areas		£4⅜	£4¼	£4⅛	£4⅛	£4⅛

*Per £100 par value.

English Financial Market--Per Cable

The daily closing quotations for securities, &c., at London, as reported by cable, have been as follows the past week:

	Saturday	Monday	Tuesday	Wednesday	Thursday	Friday
Silver, p. oz. d.	Closed	23½d	23½d	23½d	23½d	23½d
Gold, p. fine oz.	168s	168s	168s	168s	168s	168s
Consols, 2½%	Closed	£82½	£82⅜	£82¼	£82¼	£82⅜
British 3½% W. L.	Closed	£105	£104 15/16	£104⅞	£104¾	£104 13/16
British 4% 1960-90	Closed	£115¼	£115¼	£114¾	£115⅜	£115⅜

The price of silver per oz. (in cents) in the United States on the same day has been:

	Saturday	Monday	Tuesday	Wednesday	Thursday	Friday
Bar N. Y. (Foreign)	35⅛	35⅛	35⅛	35⅛	35⅛	35⅛
U. S. Treasury (newly mined)	71.11	71.11	71.11	71.11	71.11	71.11

FDR Opposes Poll Taxes, Defends FSA Loans Policy

President Roosevelt declared on Feb. 13 that he always had been opposed to a poll tax and added that the Farm Security Administration had not been paying any such taxes. At his press conference, on that day the President said that FSA tenants have a budget which includes every necessity of life—food, clothing, a bed to sleep in and taxes of all kinds.

These budgets, he said, allow the tenants to put down an item for a poll tax. At a press conference on Feb. 10 the President was told that C. B. Baldwin, FSA Administrator, had admitted before a joint congressional committee on non-essential expenditures that the FSA had paid poll taxes in Alabama.

In further reporting on the matter Associated Press Washington advices on Feb. 13, said:

> That, Mr. Roosevelt said, was not a statement of fact, and he declared that an erroneous premise had been established both on Capitol Hill and at his Tuesday's (Feb. 10) press conference. At that conference he said that he did not think that the FSA should pay poll taxes and at the same time he described the agency as extremely essential to the whole food situation for the war's duration.
>
> Last Friday Mr. Baldwin told the committee that he regarded as a "perfectly proper thing" the FSA's practice of classing poll taxes, along with other taxes, as an allowable expenditure in determining the amount of a rehabilitation loan.
>
> Mr. Roosevelt answered in the affirmative a question as to whether he thought the poll tax in the South had in some instances kept poor people from voting and he said he thought that was a bad idea. He said that he had been opposed to a poll tax all his life.
>
> He quoted from an editorial in the Montgomery (Ala.) "Journal," which asked why there was all the furor about an individual using money lent by the FSA to pay a poll tax when it was permissible to obtain from a bank a loan to meet taxes. The editorial said that the FSA was the only bank a lot of farmers had.
>
> The President cited the editorial in response to a question whether he thought the poll tax was sound. The type of mind of some persons who have been discussing the poll-tax issue, he said, is like that of those who he said were thrilled seven or eight years ago when there was a drive on to prevent people on WPA from voting. Why, he said, there were cheers and yells from people of that type of mind.

Heads Greater N. Y. Fund

John W. Hanes, former Under Secretary of the Treasury, has assumed the chairmanship of the fifth annual drive of the Greater New York Fund to raise money from business firms and their employee groups to help support 400 private welfare and health organizations. Mr. Hanes will be assisted in heading the drive by Harold A. Talbot, a Director of the Chrysler Corporation, as Vice-Chairman.

In accepting the chairmanship of the Fund's 1942 campaign, Mr. Hanes succeeds James A. Farley, former Postmaster General, who led the drive in 1941. The new chairman issued a call from Fund headquarters, 52 Wall Street, for the same energetic cooperation that brought more contributions to the Fund last year under Mr. Farley than at any time in its history. "Total war means total defense, and total defense must include continued support of the agencies whose work is woven into the very lives of all of us," Mr. Hanes said.

1941 Hotel Sales Advanced 9% Over 1940

The February issue of "The Horwath Hotel Accountant," monthly bulletin published by Horwath & Horwath, New York public accountants, states that hotel sales in the United States, as represented by the several hundred hotels from all over the country which furnish their figures, increased 9% in 1941 over 1940; in 1940 the increase over the year before was 4%. The peak came in July, with a total average gain of 14%. The bulletin further reports:

> Room sales had a total gain of 8% for the year, the largest improvement for a month being 12% in August. For hotel restaurants the business as a whole ran 10% above that of 1940, July leading among the twelve months with an increase of 17%.
>
> The total average room rate was up only 3% in 1941 over 1940 and the biggest gain during the year was 5%, attained in three months, August, September and October.
>
> The total average occupancy for 1941 was 67%, while one month had 71%, one 70% and five, 69.
>
> Comparisons with other years are made, in our table, by index numbers, with 1929 as 100. On that basis the total sales in 1941 were 93, the highest in the 12 years since 1929, the next highest being 90 in 1930. The record low came in 1933 with 51. The 1940 index was 85.
>
> For room sales the 1941 index was 82, which is decidedly the highest since 1930, with 91. Restaurant sales were 105 against the 100 of 1929. The nearest to this in the 12 years was 96 in 1940.

In December, the Horwath bulletin also reports, the steady improvement in hotel business throughout 1941 was maintained in all departments. It adds:

> The total sales increased 9% over the same month of 1940, the average sale per occupied room was up 4% while the occupancy advanced 4 points and at 61% is the highest for the month of December since 1929.

DECEMBER, 1941, COMPARED WITH DECEMBER, 1940

	Sales, Increase or Decrease					Occupancy		†Room Rate Increase or Decr.
	*Total	Rooms	Total Restaurant	Food	Beverages	Dec., 1941	Dec., 1940	
New York City	+ 7%	+ 7%	+ 9%	+10%	+ 8%	68%	65%	+ 2%
Chicago	— 2	— 2	— 1	— 1	— 2	65	67	+ 1
Philadelphia	+13	+10	+15	+12	+20	52	49	+ 5
Washington	+40	+45	+35	+33	+39	83	65	+15
Cleveland	+ 7	+ 5	+ 9	+ 9	+10	69	69	+ 5
Detroit	+10	+14	+ 7	+ 5	+10	69	63	+ 4
Pacific Coast	— 5	— 8	— 3	— 3	— 4	52	54	— 5
Texas	+12	+14	+ 8	+10	+ 2	68	61	+ 2
All others	+12	+14	+ 9	+10	+ 8	59	55	+ 7
Total	+ 9%	+10%	+ 8%	+ 8%	+ 7%	61%	57%	+ 4%
Year to Date	+ 9%	+ 8%	+10%	+10%	+10%	68%	64%	+ 3%

†The term "rates" wherever used refers to the average sales per occupied room and not to scheduled rates. *Rooms and restaurant only.

January Output And Shipments Of Slab Zinc

The American Zinc Institute on Feb. 7 released the following tabulation of slab zinc statistics:

TOTAL SLAB ZINC SMELTER OUTPUT (ALL GRADES) 1929-1941
(Tons of 2000 lb.)

	Stock at Beginning	Production	Shipments Domestic	Shipments Exports & Drawback	Stock End of Period	Unfilled Orders End of Period	Daily Avge. Prod.
1929	46,430	631,601	596,249	6,352	75,430	18,585	1,730
1930	75,430	504,463	436,079	196	143,618	26,651	1,355
1931	143,618	300,738	314,473	41	129,842	18,273	822
1932	129,842	213,531	218,347	170	124,856	8,478	583
1933	124,856	324,705	343,762	239	105,560	15,978	890
1934	105,560	366,933	352,515	148	119,830	30,786	1,004
1935	118,005	431,499	465,687	59	83,758	51,186	1,182
1936	83,758	523,166	561,969	0	44,955	78,626	1,429
1937	44,955	589,619	569,241	0	65,333	48,339	1,615
1938	65,333	456,990	395,534	20	126,769	40,829	1,252
1939	126,769	538.198	598,972	0	65,995	53,751	1,475
1940	74,262	706,100	674,615	88,165	17,582	125,132	1,929
1941—							
Jan.	17,582	66,121	63,930	4,914	14,859	121,026	2,133
Feb.	14,859	61,603	57,663	8,155	10,644	108,151	2,200
Mar.	10,644	70,341	65,011	2,629	13,345	97,638	2,269
Apr.	13,345	68,543	65,035	5,379	11,474	95,256	2,285
May	11,474	73,449	61,696	11,394	11,833	98,435	2,369
June	11,833	70,837	61,546	10,023	11,101	92,583	2,361
July	11,101	74,641	62,714	9,180	13,848	81,456	2,408
Aug.	13,848	75.524	61,061	10,342	17,969	68,604	2,436
Sept.	17,969	73,225	64,673	7,094	19,427	67,079	2,441
Oct.	19,427	76,156	61,770	12,219	21,594	62,559	2,451
Nov.	21,594	74,951	61,154	12,209	23,182	84,101	2,490
Dec.	23,182	78,635	65,690	12,065	24,062	87,666	2,537
		864,026	751,943	105,603			
Monthly Average		72,002	62,662	8,800	Daily Average		2,367
1942—							
Jan.	24,062	79,219	67,248	12,165	23,862	110,552	2,555

PRODUCTION BY GRADES

Month	Spec. H.G.	High Grade	Intermediate	Brass Spcl.	Select	Prime Western	Total
1941—							
Nov.	18,404	16,399	4,695	4,364	1,417	29,672	74,951
Dec.	18,540	17,787	5,131	4,677	1,495	31,005	78,635
1942—							
Jan.	17,575	18,135	6,378	5,262	1,467	30,396	79,213

Note—Commencing with January 1940, production from foreign ores is included in the monthly figures which reflect the total output at smelters of Slab Zinc of all grades, as reported by all producers represented in the membership of the Institute. The unchanged totals for previous years do not include production from foreign ores, which was not a vital factor in those years; this explains the discrepancy between stock shown at end of 1939 and at the beginning of 1940.

1941 Building Permit Valuations 5% Above 1940; December Activity Down

Gains in the early part of the year pushed 1941 building permit valuations 5% ahead of 1940, Secretary of Labor Frances Perkins reported on Jan. 31. "The increase was caused by a gain of 13% in indicated expenditures for new residential buildings and of 8% in permit valuations for additions, alterations and repairs to existing buildings. There was a decrease of 6% in permit valuations for new non-residential buildings, comparing 1941 with the preceding year," Miss Perkins stated. She further said:

> December was the third consecutive month in which permit valuations dropped below the corresponding month of 1940. The December decrease was largely brought about by a decline of 47% in indicated expenditures for new non-residential buildings. Permit valuations for new residential buildings showed a decline of 26%, while additions, alterations and repairs showed a gain of 8%. In making the comparison of December, 1941 with the corresponding month of 1940, it should be recalled that new non-residential permit valuations in the latter month were higher than in any month since the middle of 1930, except October, 1940.
>
> As compared with November, December permit valuations showed a gain of 0.5 of 1%, caused wholly by an increase of 41% in the value of estimated costs of new non-residential buildings. Over the month period there was a decline of 23% in permit valuations for new residential buildings, and of 2% for additions, alterations and repairs.

The Labor Department's announcement adds:

> The Bureau's tabulations include contracts awarded by Federal and State Governments in addition to private and municipal construction. For December, 1941, Federal and State construction in the 2,006 reporting cities totaled $35,651,000; for November, 1941, $32,114,000, and for December, 1940, $87,691,000.
>
> Comparisons in permit valuations in reporting cities for the years 1940 and 1941 are shown in the following table:

Class of Construction—	Change from 1940 to 1941 All Cities	Change from 1940 to 1941 Excluding N. Y. City
New residential	+12.9%	+18.5%
New non-residential	— 6.3%	— 7.9%
Additions, alterations, and repairs	+ 7.9%	+ 9.5%
All construction	+ 5.2%	+ 7.4%

> Changes in permit valuations in the 2,006 reporting cities between December, 1941, December, 1940 and November, 1941 are summarized below:

Class of Construction—	Change from Dec., 1940, to Dec., 1941 All Cities	Change from Dec., 1940, to Dec., 1941 Excluding N. Y. City
New residential	—25.8%	—18.7%
New non-residential	—46.9%	—53.0%
Additions, alterations, and repairs	+ 8.3%	+ 6.9%
All construction	—34.5%	—36.2%

Class of Construction—	Change from Nov., 1941, to Dec., 1941 All Cities	Change from Nov., 1941, to Dec., 1941 Excluding N. Y. City
New residential	—22.5%	—22.7%
New non-residential	+41.2%	+23.0%
Additions, alterations, and repairs	— 2.4%	— 6.5%
All construction	+ 0.5%	— 5.8%

> New housekeeping dwellings for which permits were issued in the 2,006 reporting cities in December, 1941, will provide 17,061 dwelling units, which is 30% fewer than the 24,240 dwelling units reported in November and 34% less than the number provided in December, 1940. Dwelling units in publicly financed housing projects included in these totals numbered 2,252 in December, 1941, 3,106 in November, 1941, and 7,054 in December, 1940.
>
> Principal centers of various types of building construction for which permits were issued or contracts were awarded in December 1941 were: East Paterson, N. J., factories to cost $652,000; New York City—Borough of Brooklyn, 2-family dwellings to cost $536,000, multifamily dwellings to cost $540,000 and public works and utilities to cost $408,000; Utica, N. Y., a school to cost $350,000; Cleveland, Ohio 1-family dwellings to cost $544,000; Philadelphia, Pa., public buildings to cost $425,000, public works and utilities to cost $416,000 and 1-family dwellings to cost $730,000; Williamsport, Pa., factories to cost $700,000; Chicago, Ill., 1-family dwellings to cost $1,757,000; Detroit, Mich., 1-family dwellings to cost $1,500,000; Cincinnati, Ohio, factories to cost $350,000; Cleveland, Ohio 1-family dwellings to cost $544,000; Columbus, Ohio, 1-family dwellings to cost $773,000; Waterloo, Iowa, factories to cost $758,000; Mankato, Minn., a factory to cost $590,000; Washington, D. C., 1-family dwellings to cost $519,000, multifamily dwellings to cost $366,000, hotels to cost $5,140,000 and public buildings to cost $3,291,000; Baltimore, Md., 1-family dwellings to cost $470,000 and factories to cost $812,000; Arlington County, Va., 1-family dwellings to cost $426,000; Houston, Tex., 1-family dwellings to cost $818,000; Wichita Falls, Tex., 1-family dwellings to cost $745,000; Denver, Colo., 1-family dwellings to cost $355,000; Los Angeles, Calif., 1-family dwellings to cost $2,144,000; multifamily dwellings to cost $992,000 and public works and utilities to cost $995,000; Sacramento, Calif., 1-family dwellings to cost $446,000; San Diego, Calif., 1-family dwellings to cost $355,000, public works and utilities to cost $705,000 and public buildings to cost $863,000; and Seattle, Wash., 1-family dwellings to cost $606,000.
>
> Contracts were awarded during December for the following publicly financed housing projects containing the indicated number of dwelling units: Clairton, Pa., $555,000 for 148 units; Cleveland, Ohio, $4,943,000 for 1,287 units; St. Charles, Mo., $246,000 for 60 units; Albany, Ga., $284,000 for 96 units; Augusta, Ga., $286,000 for 88 units; Alexandria, Va., $470,000 for 120 units; Norfolk, Va., $41,000 for 12 units; Las Vegas, Nev., $440,000 for 125 units; Los Angeles, Calif., $845,000 for 314 units; and San Diego, Calif., $7,000 for 2 units.

SUMMARY OF BUILDING CONSTRUCTION FOR WHICH PERMITS WERE ISSUED IN 2,006 CITIES BY GEOGRAPHICAL DIVISION, DECEMBER, 1941

Geographic Division	No. of Cities Reporting	New Residential Buildings Permit Valuation Dec., 1941	% Change from Nov., 1941	% Change from Dec., 1940	No. of New Dwelling Units Dec., 1941	% Change from Nov., 1941	% Change from Dec., 1940
All divisions	2,006	$68,699,124	—22.5	—25.8	17,061	—29.6	—34.4
New England	134	4,210,759	— 1.8	—28.6	919	— 5.0	—30.7
Middle Atlantic	514	9,644,287	—18.6	—52.0	2,238	—17.8	—58.2
East North Central	442	19,589,190	— 9.0	+21.8	4,350	— 7.5	+31.7
West North Central	198	3,140,800	—17.9	+ 6.4	855	—17.0	+11.2
South Atlantic	220	12,110,146	+21.5	+ 1.8	2,220	—26.5	—39.6
East South Central	69	1,367,680	—24.9	— 9.8	701	— 7.0	+ 3.7
West South Central	118	5,092,371	— 4.5	—40.1	1,745	— 6.4	—41.8
Mountain	107	1,984,415	—13.5	+13.7	608	—14.5	+12.2
Pacific	204	11,568,476	—58.3	—51.7	3,425	—59.6	—53.5

Geographic Division	New Non-Residential Bldgs. Permit Valuation Dec., 1941	% Change from Nov., 1941	% Change from Dec., 1940	Total Building Construction (Includ. Alterations & Repairs) Permit Valuation Dec., 1941	% Change from Nov., 1941	% Change from Dec., 1940	Population (Census of 1940)
All divisions	$72,924,649	+ 41.2	—46.9	$164,275,614	+ 0.5	—34.5	63,144,992
New England	10,608,917	+ 44.5	+83.2	17,351,468	+ 23.3	+27.6	5,555,816
Middle Atlantic	18,443,000	+330.0	+30.6	34,712,845	+ 54.8	—14.9	19,057,784
East North Central	5,251,620	— 71.1	—75.3	30,330,778	— 31.8	—28.4	15,032,399
West North Central	3,046,694	+ 69.7	—90.3	7,113,542	+ 5.7	—79.8	4,759,909
South Atlantic	8,978,810	+ 21.2	—48.7	23,383,241	+ 18.0	—25.6	5,641,718
East South Central	1,066,250	— 29.6	— 4.2	3,148,026	— 22.2	— .2	2,128,956
West South Central	15,979,981	+782.6	+99.0	21,978,403	+157.4	+26.7	3,620,977
Mountain	384,591	— 65.7	—56.6	2,742,534	— 32.1	— 7.8	1,420,247
Pacific	9,164,786	+ 11.5	—75.2	23,514,777	— 40.3	—63.3	5,927,186

Supreme Court Ruling On Tax Deductions

According to a ruling of the United States Supreme Court on Feb. 2 reorganized companies may take advantage of the reorganization clauses of the Federal income tax laws for the purpose of lessening their taxes only when stockholders of the old company continue their interest in the new company. This is learned from advices to the New York "Journal of Commerce" from its Washington bureau Feb. 2, which also had the following to say:

> This principle of law was laid down by the Court in unanimous decisions written by Associate Justice Douglas in four cases growing out of appeals from conflicting lower Court rulings on whether companies could use the asset value of the old company in computing income taxes for the reorganized companies.
>
> The governing decision appeared to be the case of Helvering vs. Alabama Asphaltic Limestone Co. in which the Court upheld the decision of the Circuit Court and Tax Appeals Board that the company was entitled to compute its depreciation and depletion for income tax purposes on the basis of the asset value of the predecessor company, Alabama Rock Asphalt, Inc.
>
> In this case the bankrupt corporation's assets amounting to $155,000 were offered for sale at public auction and were bid in by the creditor's committee for $15,000 in cash and by agreements of creditors to accept the stock of a new corporation in full discharge of their claims, and by an offer of the creditor's committee to meet various costs of administration.
>
> Thereafter a company was formed which acquired all the assets of the bankrupt corporation.
>
> The Court said that it did not appear whether the acquisition was directly from the old corporation on assignment of the bid or from the committee. But pursuant to the plan the new company issued its stock to the creditors of the old corporation which accounted for 95% of the note holders. Non-assenting creditors were paid in cash. Operations were not interrupted by the reorganization and were subsequently carried on by substantially the same persons as before.
>
> The Court held that there were no other considerations which prevented this company from qualifying as a reorganization within the meaning of the Revenue Act. The Court also held that although the properties acquired by the new corporation belonged at the time of the acquisition to the creditor's committee and not to the whole corporation, the separate steps were integrated parts of a single scheme and for this reason constituted a reorganization.
>
> The other three cases decided in conformity with this decision were Helvering vs. Southwest Consolidated Corporation; Bondholders Committee, Marlborough Investment Co. vs. Commissioner of Internal Revenue and Palm Springs Holding Corporation vs. Commissioner of Internal Revenue.

Moody's Daily Commodity Index

Tuesday, Feb. 10	226.5
Wednesday, Feb. 11	226.8
Thursday, Feb. 12	*
Friday, Feb. 13	227.6
Saturday, Feb. 14	227.7
Monday, Feb. 16	228.2
Tuesday, Feb. 17	229.0
Two weeks ago, Feb. 3	225.1
Month ago, Jan. 17	223.3
Year ago, Feb. 17	171.6
1941 High—Sept. 9	219.9
Low—Feb. 17	171.6
1942 High—Feb. 17	229.0
Low—Jan. 2	220.0

*Holiday.

Foreign Front

(Continued from First Page)

naval base, upon which Britain lavished $400,000,000 in recent decades, can only be compared to the fall of France in its effect upon the United Nations, and it may well be more significant in the long run.

No effort was made by Mr. Churchill to disguise the seriousness of the defeat at Singapore. "Other dangers gather about us elsewhere and none of the dangers which we have hitherto successively withstood at home and in the East are in any way diminished," he said. The Prime Minister called upon his countrymen everywhere to display calm and poise in the hour of grim defeat, and to "draw from the heart of misfortune the vital impulses of victory."

Mr. Churchill made no attempt to depict the last terrible hours of the 60,000 defenders of Singapore and the close to 1,000,000 civilians there, of whom about 100,000 were Europeans. Dispatches from the island and from those who managed to flee to Batavia and elsewhere made it quite clear, however, that a last ditch defense against overwhelming odds was maintained to the last. Only when water, food, munitions and other supplies were at an end was the vast base surrendered.

Driving in ever greater numbers across Johore Strait, which they first crossed on Feb. 8, the Japanese advanced with breathless speed and heedless of losses. They effected their landing in the Western marshes of the island, and were exceedingly well equipped for the effort. Indeed, one of the major mysteries of the great Malayan campaign is the ability of the Japanese to transport to the front the enormous stores needed for their victory. Even steel-lined boats were used by the invaders, as they crossed Johore Strait in the face of machine gun fire.

Foot by foot the Japanese advanced from the soggy swamps which the defenders apparently regarded as an ample defense in themselves. The advance swept over rubber plantations on the higher ground, and overwhelmed airdromes and finally the rain catchments which supply Singapore City with water. The naval base was quickly overrun, but not before a vigorous scorched-earth policy made all the installations useless. Pressing their furious assault the enemy managed to move into the environs of Singapore by last Saturday, and from that point on the only anxious question was when Singapore would capitulate.

Absolute control of the air gave the Japanese the enormous advantage in the battle for Singapore which on previous occasions made Axis victories possible. Dive-bombers screamed overhead and blasted the defenders at every key point. Again and again, according to eye-witnesses, the prayer went up from the ranks of the British Empire units for aerial support. Only a few old airplanes still were possessed by the defenders, and these were sent into suicidal action against the vastly superior Japanese air forces. With their airplanes blasting the way, the Japanese land troops came on and ever on, and heavy artillery fire also harassed the defenders. In the end much of the city was ablaze, and oil stores over all of the island were burning.

Some civilians and possibly a few special detachments of soldiers were evacuated from Singapore before the final capitulation. Accounts differ on this point, and it may be weeks or even years before the full details are known. When defense no longer was possible, early last Sunday, the British commander sent emissaries to the Japanese and in the course of a few hours the capitulation was arranged. Singapore surrendered unconditionally. Tokio accounts state that some 30 small British warships were sunk or heavily damaged in the action, and several transports also went down. Australian sources confirmed this, in part, for it appears that about 1,300 troops were rescued by an Australian warship from a blazing transport.

That the loss of Singapore is an extraordinarily heavy blow to the British Empire, and to each and every one of the other United Nations, is universally conceded. The vast naval base not only was the impressive reflection of British naval strength, but also had enormous symbolic significance in the Far East. There are certain to be prodigious repercussions of the Japanese capture of the bastion.

Already it appears that the Japanese are making use of the Straits of Malacca, which now fall to their control. Singapore was the control point for the easiest passage from the Indian into the Pacific Ocean. Japanese submarines are reported operating in the Indian Ocean, with a view toward cutting the sea approach to the Rangoon terminus of the Burma Road, and surface ships of the Japanese Navy doubtless will appear off Indian ports. The whole strategy of the World War plainly requires recasting, in the light of the drastic defeat at Singapore, and the Churchill regime in London was shaken to its foundations by the event.

Burma-China-India

Now that Singapore has fallen, the Japanese plainly will be able to utilize additional troops for the drive into Burma, which this week moved speedily despite a stern defense by the British Empire units. The crossing of the Salween River, effected by the enemy ten days ago, has made possible a sizable infiltration into areas ever nearer the Burma Road supply line for China and the port of Rangoon, which is the entry point for that route. The fate of all of Eastern Asia, and possibly even of India, may be determined by the fighting in Burma.

Unlike other areas of combat, the Burma zone appears to offer a fairly even matching of United Nations and Japanese aerial strength. Numerous reports indicate that volunteer American fliers, along with regulars of the British Air Force, are keeping the Japanese from undisputed control of the air. Some of the American fliers are, indeed, extremely truculent, for they are reported to have demanded this week both more airplanes and more Japanese.

The ground fighting is less advantageous for the defenders than the aerial combats, for Japanese troops methodically moved forward against the Paan and Thaton region, which they now admittedly control. The enemy was said in British communiques yesterday to be less than 75 miles from Rangoon, and an even shorter distance from the nearest point on the Burma Road supply line. The aggressors plainly aim to traverse by land the small distance which still separates them from Rangoon, and the prospects may be indicated by an extensive evacuation of civilians from the port area of Rangoon.

After the fall of Singapore, official Japanese spokesmen in Tokio claimed that they are now able to determine the destiny of India and Australia, as well as all lands between. No secret was made of the Japanese intention to move against British control of India, and the cry of "Asia for the Asiatics" was sounded again and again, with the obvious intention of gaining native support. It is now conceded that the Japanese were aided mightily in Malaya by "fifth columns" and informed observers everywhere confess to nervousness regarding the next phase of the vast contest on the Asian Continent.

If the Japanese succeed in cutting the Burma Road a secondary line may possibly become available from India, but there is little definite information available regarding that route. Meanwhile, long conversations were reported this week between the Indian leaders and Chinese Generalissimo Chiang Kai-shek, who took the unusual step for the Orient of journeying to New Delhi for the discussions. According to British sources, Chiang Kai-shek endeavored to persuade the various Indian factions to put their full weight behind the British units in this war. The London Government offered India participation in the War Council, last Thursday, but the promise of independence within the British Commonwealth, which the Indian leaders desire, still was not forthcoming. Some doubt exists, accordingly, as to the outcome of the current crisis in British-Indian relations, and the question of supplies for China also is involved.

Pacific Isles

Against the vast chain of Pacific islands known as the Malay Barrier the Japanese aggressors continued their advances this week, with the citadel of Java the apparent immediate aim of the tremendous military operations. The conquest of Singapore facilitates the activities of the Japanese in more southward regions, quite as it does in Burma. The gravity of the position is well recognized in the Netherlands East Indies, and in Australia and New Zealand, as urgent requests were made in all these areas for reinforcements and for more airplanes.

That the Japanese fully intend to push southward over the entire region of the Pacific Islands, including Australia and New Zealand, was indicated on Monday by Premier Hideki Tojo. The Diet in Tokio was assembled to hear an account of the capture of Singapore, an event which the Japanese celebrated by parades and other demonstrations. In the course of his address before the Japanese Parliament, General Tojo declared that the cooperation of the Chinese, Burmese and Indian peoples is desired by the Tokio authorities, who have every intention of "crushing" the Netherlands forces, and of proceeding against Australia and New Zealand unless those countries come to a "real understanding of Japanese intentions."

That the Netherlands East Indies fully understand the Japanese aims was made plain by bitter opposition to the aggressors. With amazing celerity the Japanese followed their occupation of Singapore by embarking last Sunday upon an expedition against the huge island of Sumatra, just across the Malacca Straits from the former British base. Parachute troops in considerable numbers were dropped at Palembang, with the evident intention of preventing destruction of the great oil refineries there situated. In this the Japanese failed, for the troops were rounded up and shot, while the oil installations were systematically destroyed.

The parachute invasion was rapidly followed by appearance of an armada off the coast of Sumatra and Japanese troops began to filter inland toward Palembang. Heavy aerial attacks on the Japanese ships were made by Dutch and other fliers of the United Nations, and serious damage to many of the enemy vessels was indicated. But the Japanese were not to be halted by such losses. They advanced steadily up the jungle rivers and Palembang admittedly fell to the Japanese on Monday.

With this advance the Japanese also captured important airdromes on Sumatra and also the railhead of a line running to the 25-mile wide Sunda Strait which separates Sumatra from Java. The Japanese thus achieved positions only an hour's bomber flight from Batavia, capital of the Netherlands East Indies, which was bombed heavily on several occasions. They also added to their conquests on Borneo and Celebes Islands, and attacked several smaller island groups near Java. Aerial blasts by the United Nations against the Japanese ships hampered, but apparently did not halt, the invaders.

Although the threat to Java now is undeniable, some comfort was taken from reports of sizable reinforcements from the United States and Australia. No information was available as to the extent of the reinforcements, since this is a military secret, but the Netherlands authorities were greatly cheered, and it is to be hoped that the fresh forces are adequate and are equipped with numbers of airplanes, above all else. The naval command in the South Pacific passed last week to the Dutch Vice-Admiral, C. E. L. Helfrich, after a request by our own Admiral, Thomas C. Hart, for retirement due to ill health.

Australia and New Zealand girded for defense, as the Japanese continued their southward invasion. All manpower was called to the defense of Australia, which assuredly will be held by the United Nations as the base for the eventual attack against the Japanese, if Java falls. The lifeline of ocean supplies for Australia and New Zealand will be kept open with equal determination, it is indicated.

Philippines Defense

Little change seems to occur from day to day in the stout defense being made by General Douglas MacArthur and his valiant band against vastly superior numbers of Japanese troops. The American forces are subject, however, to continual attrition and it is well known that the enemy continues to bring reinforcements to Bataan Peninsula, with a view to quick termination of the unequal battle. Reinforcements, moreover, can hardly reach the Philippines in anything like adequate amounts, since the Japanese control both the sea and the air around the islands. Prospects, accordingly, are not bright for the defenders.

Exceptionally heavy aerial and artillery assaults on MacArthur's positions were reported early this week, which possibly presages an all-out attack by the reckless invaders. Every effort is being made by the Japanese to attract fifth-columnists from among the native Filipinos. Leaflets are dropped periodically in which the Filipinos are urged to come over to the side of their "dear brethren," the Japanese. Such appeals are said in official reports to be utterly devoid of results. Some of the islands south of Luzon were reported over the last week-end to have fallen to the Japanese, which suggests that the defense of the island group as a whole rests with the small band at Bataan and the Manila Bay fortresses.

With surprising tardiness, information was made available in Washington, last Thursday, of heavy losses suffered by the Japanese in the Jan. 31 raid by American naval units on islands of the Gilbert and Marshall group, south of Midway. Colorful accounts were given of attacks in which the Japanese were said to have lost a light cruiser, a large converted aircraft carrier, a destroyer, two submarines, at least eleven tankers and other supply ships, and many airplanes. Tokio radio reports scoffed at the claims and asserted that ships allegedly sunk will be found very much alive in future operations.

The reports of the raid were circumstantial and well documented, and the question of veracity need not be raised, beyond observational problems. There remains, however, the curious aspect of long delay in informing the public of results of an action which, in essence, was made known immediately after it occurred. No explanation has been vouchsafed, but the incident has added greatly to the clamor for speedier and more adequate war reports.

Battle of the Atlantic

Along with most other aspects of the World War, the Battle of the Atlantic appeared this week to be going decidedly against the United Nations, and especially against the United States. Increased sinkings were indicated in European waters, where German and Italian submarines recently have been inactive. But in our own waters the sinkings have continued on a rather heavy scale, despite occasional intimations by Washington officials that German submarines are being sunk in numbers.

With accustomed Nazi daring, submarine attacks were made Monday on numerous tankers in the Caribbean and on the island of Aruba, where the world's largest oil refinery is located. Penetration of the submarines into the Gulf of Mexico is a serious enough matter, but the shelling of Aruba, where American effectives were landed last week, is even more disconcerting. The shelling did no damage worthy of mention, it seems, but some seven to ten tankers were sunk or damaged. Most of these ships were small and the tonnage lost is not vast. But the flow of oil to Aruba was modified, which is a vitally important war consideration.

Counter-measures against the German submarines were instituted promptly and one aerial attack was confidently said to have resulted in the sinking of an enemy U-boat. That the attacking submarines were of German nationality was indicated by the beaching on Aruba of a torpedo which was determined to be of German manufacture. As this supposed 'dud' was being examined it exploded, killing four Netherlanders.

This attack is the first made on any land in the Western Hemisphere by Axis forces. It occasioned grave apprehensions in Latin-America of fresh moves that might turn out to be invasion attempts. Meanwhile, the German submarines roaming our Atlantic Coast sank additional ships. The extent of the sinkings, however, appears to be a closely guarded official secret.

Churchill Reports

Deep unrest and uncertainty prevails in the United Kingdom, owing to the fall of Singapore and various war developments which are unfavorable to the British cause, and Prime Minister Winston Churchill found it expedient to make one of his periodical radio reports on the war, in these circumstances. The British leader spoke earnestly and with characteristic bluntness, last Sunday, and his forthright comments were much appreciated in the United States, as well as in Great Britain. The Churchill Cabinet nevertheless appears to face a serious test in the House of Commons.

Adding to the disabilities

facing Mr. Churchill were daring runs from the French port of Brest, through the Englich Channel, by the German battleships Scharnhorst Gneisenau, and the Nazi cruizer Prince Eugen. For the first time in more than a century, enemy craft made the passage under the very guns of the British and the "escape" of the German vessels disconcerted most Britons almost as much as did the fall of Singapore. Pride in the prowess of the British Navy was sorely hit by the daring German action.

There were some highly important extenuating circumstances in the German ship movements, as well as some disagreeable ones. The great German warships moved out of Brest under cover of darkness and a heavy layer of fog and snow. Visibility was poor throughout, and it was not until late the following morning, or on Feb. 12, that the vessels were sighted speeding toward the narrowest part of the Channel, with a protecting screen of destroyers, mine-sweepers and other craft. British forces immediately went into action, but the extent of any damage inflicted on the warships remain uncertain, while the fact that they arrived in German ports is firmly established.

Heavy aerial attacks were made by British fliers on the three German ships, as they speed through the Channel, and late in the day British destroyers made daring close-range attacks with guns and torpedoes. But the German threw an "umbrella" of enormous airpower over the ships, and the superior fire of the enemy vessels kept the British destroyers at some distance. The Germans got through and claimed that 43 British airplanes were downed in the fight, and that a British destroyer was sunk. The Nazis admitted the loss only of seven airplanes and the sinking of a patrol vessel. London reported 42 British airplanes downed and conceded damage by fire to a destroyer, while denying that any sinkings occurred.

When Prime Minister Churchill went on the air, last Sunday, it was expected that he would report fully both on Singapore and the run of the German ships through the Channel. He ignored the latter incident entirely, however, and devoted his superb oratorical gifts to a general survey of the war, as it had developed since his last previous summation in August, 1941. The entry of the United States into the conflict was depicted by the Prime Minister as the overwhelming circumstance with which, he said, none other could compare. Also on the favorable side is the thrust of the Russian armies against the Germans, he said.

Mr. Churchill made no attempt to minimize the importance of the Japanese attack, although he admitted that the Tokio move was unexpected. The possibility that Japan might attack always had been kept in mind, and every effort was made to prevent deterioration of relations, the Prime Minister indicated. Eventually, he predicted, the Japanese action will appear to be a mad one.

Turning, in the end, to the momentous defeat at Singapore, Mr. Churchill called upon his countrymen to show their quality and genius and to accept the reverse with dignity and with renewed acceptance of strength. Only one fault and crime can rob the United Nations and the British people of victory, he declared, and that is a weakening of purpose and of unity. He held it the duty of all to support the national executive government and to make sure that the misfortunes and mistakes of war are not exploited against them.

When the House of Commons met on Tuesday, it was instantly made manifest that the Churchill speech was not considered adequate to the occasion. The storm of criticism was accepted calmly, however, by the British Prime Minister. He maintained that the German warships suffered much damage and would be out of action at least until adequate British and American naval forces were assembled to meet any threat of a combined German battle squadron. An inquiry will be made, he said, to determine responsibility for the poor British showing, and a formal debate was promised in coming days on war policy. Indications also were given that some minor Cabinet changes may be made, but Mr. Churchill firmly declined to give up the post of Defense Minister, which he holds along with the office of Prime Minister.

Mediterranean

British Empire and Axis forces in the Libyan desert traded relatively light blows this week, but it was realized that the skirmishing fails to reflect the growing importance of the Mediterranean theater of war. Vast preparations by the Axis are believed in progress, with a view to attacks on Egypt and the Suez Canal, and possibly against Gibraltar. A further drive eastward through or around Turkey was held a possibility in some military circles, and even an attempt by the Germans and Japanese to effect a junction in the Indian Ocean was not ruled out.

Nothing better illustrates the scope of the current war than the conjectures as to coming events in the Mediterranean region, and the preparations being made to meet the various contingencies. The German General, Edwin Rommel, is said to have the upper hand in Libya, where the British were beaten back quite as rapidly as they progress toward Tripoli. The next moves of Rommel probably will supply the clue to Axis intentions, but Rommel may not be able to move until the Russian battle clarifies.

While the British and Axis forces watched each other, some forty miles west of Tobruk, the Axis strained every nerve to increase the supplies available to Rommel. Heavy transport convoys were noted moving from Italy to Northern African bases, and British aerial and naval units took their toll of such ships. The Germans claimed heavy damage to a British convoy which they said was moving from Alexandria toward the badly battered base at Malta. The shattering aerial hammering of Malta was unabated all week.

That fresh problems may face the United Nations soon was indicated, meanwhile, by long conversations at Madrid between Spanish and Portuguese officials and military authorities. The Spanish dictator, General Francisco Franco, openly sympathizes with the Axis, and often has threatened moves to regain Gibraltar for Spain. What the Portuguese reaction may be to the current Axis pressure is not clear. Turkey also is said to be once again a center of diplomatic pressure and intrigue.

Russo-German Front

Fierce fighting was admitted by both sides to be in progress this week on the extensive Russo-German battle front, but accounts differed sharply as to the consequences of the engagements. That the Russians still have the upper hand and are driving the Germans slowly back is suggested, however, by continuance of the icy weather which favors the Russians and their cavalry, while bringing the mechanized units of the Reichswehr to a standstill. German reserves are reported to have been thrown into the Russian front in numbers, to stem the Russian advance.

Although the Russians claim important gains, Moscow has resorted more and more in recent days to vagueness. Important but unnamed places in unspecified sectors are reported recaptured. Even some German statements lend color to the Russian claims, however, for deep penetration of the most advanced German lines is acknowledged, according to London. The fact seems to be that the front is fluid and that guerrilla fighting is augmenting the Russian effort in back of the German lines.

Undue optimism as to the Russian position seems unwarranted at this stage of the battle, for Leningrad and Sevastopol at the two extremes of the Russo-German front remain under siege by the Nazis, while Kharkov still is in German hands despite many Russian assertions that this key city of the Donets Basin is about to be regained. Moreover, much of February now has passed into history and the mud of the coming spring is expected by all military observers to bring operations to a virtual halt. Thereafter, the Germans well may regain the initiative, unless some terrible defeat can be administered to the Axis in the meanwhile.

From Washington

(Continued from First Page)

off the Government payrolls by providing in a particular appropriation that none of the money could be used to pay their salaries. In some instances their title has simply been changed, in others, the money taken from other appropriations to pay them with.

The current outburst against the President in Congress will not last long. The members will soon come to realize that they might as well bay at the moon.

Aside from the President's attitude, his claquers, reflecting his mind, hold that the criticism is primarily motivated by those who are against the President's "social objectives," those who want to use the war to "destroy labor's social gains." More important than the fact they hold this view is that they are prepared to pursue this kind of attack against their critics. A revival of the smearing tactics against these critics is on in full swing.

A shining example is the case of Edward A. O'Neal, President of the American Farm Bureau, who blasted the Farm Security Administration recently, declared it to be an outrageous racket. O'Neal ought to know because he has been in the midst of the whole New Deal regimentation of the farmers. He and Henry Wallace were as thick as two peas in a pod, worked hand in glove together to build up the gigantic agriculture political machine.

Now that they have fallen out, or rather, that O'Neal and the New Deal have fallen out, the New Dealers countered his charges with those that he has operated the check-off system among his membership, that money for their dues in the bureau, were taken out of benefit payments. The Department of Agriculture had to be a party to this, of course.

It was not without significance that Mr. Roosevelt gleefully told newspapermen at a press conference that by paying a small sum he could qualify to receive $37,-500 a year after his retirement from the Presidency, under the highly controversial pension bill which Congress recently enacted. Yet Mr. Roosevelt had signed the bill after at least two Senators had written him asking him to veto it. The New Dealers have been in the forefront of the "Bundles for Congress" movement. Their publicists have been complaining about the "misrepresentation" of the Melvyn Douglas and Mary Chaney episode in the OCD. But they have been enthusiastically participating in the agitation against Congress.

It so happens that this bill was sponsored by one of the most conscientious men in Congress, Representative Ramspeck of Georgia, who has long specialized in retirement benefits which Government employes receive. The bill in question, in fact, was an extension of these retirement privileges. The measure was fully discussed and given a recorded vote in the Senate. There seems to be little question that Ramspeck intended only to apply the same actuarial standards to members of Congress, by which after serving a prescribed length of time they would be entitled to benefits in accordance with the amount they had paid into the fund. On the other hand, Senator Byrd of Virginia, insists that a proper interpretation of some bad phraseology would make it possible for elder Congressmen to pay down a lump sum tomorrow and retire the next day at $4,000 a year for the rest of their lives.

The point is that this writer, after careful investigation and knowing the frailties of Congressmen as well as anyone else, is convinced no "grab" was intended. A mistake may have been made and unquestionably the language needs clarifciation.

One thing is certain: The bill was not slipped through. It was discussed in the Senate. It was not the fault of that body that the discussion was not fully reported in the papers.

Another thing is certain: There would not have been the delayed publicity outburst had there not been an outburst in Congress against the shenanigans of the executive branch. It is unfortunate because our legislative branch has already been rendered largely impotent.

The contemptuousness, or cleverness of the New Dealers, whichever way you want to take it, is that while the spotlight has been on the OCD they have been building up Archie MacLeish's Office of Facts and Figures just as fast as possible. It is loading up with the country's outstanding writers as fast as they can be induced to join.

But having struck its stride and shaken off the timidity which characterized its earlier existence, it is spreading boldly out over town to usurp the functions of other agencies. Already it has been charged with censoring the speeches of cabinet officials, others in the Government. But now it has moved over into the domain of Byron Price, the censor, has been guilty on at least several known occasions, to have attempted to dissuade industries from advertising. Any advertising bearing on the war industry must be approved by Price's office. Some of Archie's men at least have passed around the word that the advertising had also better be submitted to them. And then they have not read it for possible disclosure of information to the enemy but have wanted to know the necessity of the ad.

There have been charges that MacLeish has Leftists on his staff. But he also has writers who have always made their money and been highly successful with the most conservative magazines in the country. Why they should lend themselves to this sort of stuff is more than I can understand. The fact is, though, that very level-headed men, getting into an organization like MacLeish's, want to appear "intellectual and liberal," and then I suppose no writer ever existed who didn't have a grievance against some publisher. Regardless of their background, they seem to develop a synicism against the capitalistic system when they are in this atmosphere long. It's contagious.

Mr. Roosevelt took an awful ridiculing recently over his suggestion that "parasites" leave town. But the end of that subject has not yet been heard. He was in deadly earnestness and the ridicule has made him the more determined.

His budget director, Harold D. Smith, at the President's orders, is making a study of the people and agencies that should get out of town. The United States Chamber of Commerce heads the list. Suspecting that it does, it has offered the Government the use of some of its building. The trade associations which industries maintain here to represent them in the intricacies of legislation and bureaucracy are on the list. It is even understood that the labor and farm lobbies are on Smith's list. Whether they will be if and when the President decides to let go a blast, remains to be seen.

It is not a good thing to arouse the President's temper.

The helplessness, bewilderment of a member of Congress is emphasized in the attack of Senator Brewster of Maine, on Jesse Jones. He has to have an issue, he wants to do something to show he is on the job in the maelstrom of Washington. But the goings-on are so incomprehensive to the average member, he is so utterly helpless to do anything about them, that he will grab at a straw. Several months ago, it may be recalled, some of the ablest members of the House vented their pent up spleen over an inconsequential "yoo-hoo" incident of one of the Army's most capabale generals. It was simply that they had to have something to rant against and here was something simple which they understood and could make their constituents understand.

Brewster has jumped on the bandwagon against Jesse Jones and the rubber shortage. He announces out in Ohio that the lid is to be blown off and Jesse revealed.

Brewster is a Republican. He sits around bewildered for months with Rome burning and then lends himself to a New Deal campaign such as this. If he wants to investigate the rubber situation, why not do it. He will find some very interesting facts. But that isn't what he has announced is to be done. No, the thing to do is to get Jones' scalp. Nothing would tickle the New Dealers more. Harold Ickes is the leader of the movement against him.

To Control Raw Sugar

The War Production Board on Feb. 15 took over control of the entire 1942 raw cane sugar supply. It issued an order (M-98) providing that:

1. No person other than a refiner or a manufacturer, or the agent of a refiner or a manufacturer, may purchase, import, or accept delivery of raw sugar during 1942.
2. No refiner may purchase, import, or accept delivery of more raw sugar in 1942 than is allotted to him by the WPB.
3. No manufacturer may import or accept delivery of more raw sugar than is permitted him under General Preference Order M-55 as amended (the order restricting the use or resale of refined sugar). Thus, the manufacturer using raw sugar will be placed on the same basis as a manufacturer using refined sugar.

Concurrently, the WPB issued a supplementary order fixing the allotment of raw sugar for every refinery in the country for the period from Jan. 1 to Sept. 30, 1942.

Save Billions For Defense: Morgenthau

Secretary of the Treasury Morgenthau declared that "it is entirely possible for our people to save almost $11,000,000,000 a year from current income," through defense bond purchases, "not counting the additional billions which the larger investors can subscribe." These remarks were made by Secretary Morgenthau in an address at Baltimore on Feb. 14, before the annual dinner of the Advertising Club, in which he pointed out that "the war will call for a supreme effort from now on, for every ounce of energy in every field of our national life." "Everything that civilians can do to help win the war," he added, "must be done at a faster pace and with more intensive effort from now on—and that means, among other things, more production of war materials, more conservation of supplies, more volunteer work for civilian defense and greater purchases of Defense Bonds."

In part Mr. Morgenthau went on to say:

> We have sold more than $1,000,000 of Defense Bonds in the month of January. That was a great and impressive figure, yet you must forgive me if I do not give three cheers to this response. Early last month the President sent to Congress a budget message calling for expenditures of $40,000,000,000 on the war in this calendar year. Compared to this estimate of expenditures, our $1,000,000,000 sale of Defense Bonds in January looks small and inadequate.
>
> The money we shall have to spend in this war has got to be raised and it will be raised.
>
> We shall have to get as much of it as possible from taxes. You will hear soon how Congress and the Treasury would suggest doing that essential part of the job. At this moment I can only tell you this: that just as war allows no avoidance, the next tax program will not allow anyone to escape from paying his fair share.
>
> The balance of our wartime needs will have to be met by borrowing from the people themselves and from the banks. The amount to be borrowed is so vast that some people feel we should raise a part of it by compulsory savings. As you know, I have always preferred the voluntary method. I still prefer it, because it is the democratic method and because I am certain that it will work.
>
> * * *
>
> I know that the American people are ready to do their part, but readiness and willingness are not enough. The time has come for all of us to translate that readiness into action. We can, we will, we must.
>
> One of the ways we can do much more is by intensifying our effort in the purchase of Defense Bonds. If everyone who earns between $40 and $50 a week were to set aside $4 out of every pay check for buying Defense Bonds—and there are almost 8,000,000 income earners in this salary group alone—it would bring into the Treasury $1,200,000,000 a year. I have in my hand a table showing what the average income earner should be able to save for Defense Bonds, starting with the very small salaries and going up to the higher income levels. We are circulating this table throughout the country as a suggested yardstick for income earners, to show that it is entirely possible for our people to save almost $11,000,000,000 a year from current income, not counting the additional billions which the larger investors can subscribe.
>
> That will show you how little we have done up to now on this one sector of the home front, and how much remains to be done. We have reached only about one-seventh of all the income earners in the country; we must reach the others without delay. With your help, we must have every income earner in the country saving regularly on a week-to-week basis if we are to finance this war without bringing the evils of inflation upon us.

Urban Foreclosures

There were fewer urban real estate foreclosures in 1941 than in any year for which records are available, including the so-called boom years of 1926 to 1929, Federal Home Loan Bank Board economists report. They estimated there were 58,381 non-farm foreclosures during the year, 17,000 less than in 1940—a decrease of 22.5%. All but five states shared in the decline. The Board's announcement likewise said:

> Recalling the peak of 252,000 foreclosures reached in 1933, the Bank Board economists credited the Home Owners' Loan Corporation for "breaking the trend" by lifting a million frozen mortgages from burdened private financing institutions. Even when the Corporation a few years later was forced to foreclose its worst loans, the economists said, sufficient stability had been attained so there was no serious effect, and every year since 1933 has shown a decline.
>
> A 1.6% increase in the seasonally adjusted foreclosure index for December over November represented "a reversal from the trend of the past eight years, and was caused almost entirely by accelerated actions in those areas which are not experiencing a shortage of housing due to increased defense activity," said the Bank Board report. With the 1935-1939 period representing 100, the December index stood at 32.4.
>
> Foreclosures for the United States during December numbered 4,337, an increase of 133 over November, according to the report. Eighteen states and the District of Columbia reported decreases, while 29 states reported increases and one showed no change.
>
> "In relation to the same month of 1940, however, foreclosure activity for December decreased 23.1%," the report said. "Each Federal Home Loan Bank district except Pittsburgh—which includes the states of Pennsylvania, West Virginia and Delaware—and all but 12 scattered states shared in this improvement."
>
> Sources of foreclosure figures regularly compiled by the Bank Board include the reports of county and court clerks, recorders, sheriffs and Government officials from about 1,800 communities.

Vilifies Hoarding

Hoarding by consumers is a sure way to raise prices and encourage inflation, was the warning made on Feb. 3rd by Julian Goldman, National Chairman of the National Committee to Keep Prices Down, according to a statement released Feb. 3 by the committee. Mr. Goldman said:

> Not only is it unpatriotic to hoard, but doing so in the long run jeopardizes the interests of the individual and endangers the welfare of the nation as a whole. A rapidly rising price level might not only wreak havoc upon consumers, seriously reducing their savings, but it might also create a distinct handicap to our winning the war.
>
> While most of our people recognize that it is unpatriotic to hoard, there are, however, those * * * whose actions are partially responsible for present scarcities of food and items of soft goods.

Referring to recent "feverish buyng" as indicating hoarding activity, Mr. Goldman warned that unless hoarding ceases immediately, it will become very difficult to prevent inflation. He urged all consumers to help prevent inflation by resisting the urge to buy beyond their immediate needs. By so doing, he declared, they will greatly help to keep prices down and make hoarding unnecessary. The National Committee to Keep Prices Down, a non-profit organization, is conducting an effort appealing to manufacturers, distributors and retailers everywhere to do their utmost to keep prices from becoming unreasonably high. Mr. Goldman is President of the Goldman Stores Corp., New York.

Expects 85,000 More Government Employes In Washington, D. C.

Budget Director Harold D. Smith expects an increase of 85,000 Government employees in Washington this year, with a total increase in the capital's population of around 250,000, it was reported in Associated Press Washington advices of Jan. 18. The city's population was 663,153 in the 1940 census and has increased sharply since then, the advices said, adding:

> There were about 180,000 Federal workers in Washington on Jan. 1. Plans now are being made to move about 10,000 to other cities by transferring a dozen agencies and bureaus.
>
> Mr. Smith said that about 42,500 additional workers, such as clerks, telephone operators and city employees, would be needed to serve the expected increase in Government workers. To house the new population, he estimated it would require 75,000 family units costing more than $300,000,000.
>
> Rental vacancies in the district are less than one-half of 1%, he said. He estimated a shortage of 2,700,000 square feet of office space by July 1.

1942 Cotton Bagging

A cotton bagging program for 1942, providing for the manufacture of up to 4,000,000 "patterns" or bale coverings, was announced by the United States Department of Agriculture. The program, directed by the Surplus Marketing Administration with the cooperation of the Commodity Credit Corporation, will give manufacturers an opportunity to make and sell the patterns which will be needed for about one-third of the 1942 cotton crop. The Department's announcement further explained:

> The maximum prices at which manufacturers can sell the patterns have been established at $1.10 per pattern to cotton producers or ginners, and at $1 to distributors.
>
> Payments of 35 cents per pattern will be made by SMA to approved manufacturers who make the patterns as specified and sell them to cotton producers, ginners, cottonseed oil mills and other distributors of bagging for cotton bales, at not more than the established prices. Manufacture or sale of the patterns before June 30, 1942, is required.
>
> Under the program Commodity Credit Corporation will make available to mills cotton from Government-owned stocks at prices that will enable the manufacturers to produce and sell bagging at the established maximum prices to distributors, producers and ginners.

French West Indies Sugar Production Up 10.3%

Sugar production in the French West Indies (Guadeloupe and Martinique) during the 1940-1941 crop season totaled 123,000 long tons, raw sugar, as against 116,000 tons in the previous campaign, an increase of 12,000 tons or 10.3%, according to advices received by Lamborn & Co., New York. Local consumption amounted to 5,200 tons. The firm's announcement added:

> Exports during the crop year ended Aug. 31, 1941, dropped to 63,000 tons as compared with 110,000 tons in the previous season. The 1940-1941 exports were the smallest in ten years, or since 1931 when the figure was 58,000 tons.
>
> Sugar shipments from the French West Indies usually go to France. In the past year, these shipments have been retarded because of the unsettled conditions in Europe, and much of the sugar remained unshipped in the Islands.
>
> On Sept. 1, 1941, there were on hand 77,000 tons as against 17,000 tons on the same date in 1940, and 12,000 tons in 1939.

Dallas Reserve Appoints

The Board of Governors of the Federal Reserve System announced on Jan. 29 the following appointments at the Federal Reserve Bank of Dallas:

> Chairman and Federal Reserve Agent for the remainder of 1942: Jay Taylor, Rafter O. Cattle Co., Amarillo, Tex. Mr. Taylor has served as a Class C Director of the Federal Reserve Bank of Dallas since his appointment on March 4, 1937, and as Deputy Chairman of the Bank since Jan. 1, 1939.
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> Deputy Chairman for the remainder of 1942: J. B. Cozzo, Womack and Cozzo (general contractors), Dallas, Tex. Mr. Cozzo has served as a Class C Director of the Federal Reserve Bank of Dallas since his appointment on June 26, 1939.
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> Class C director for unexpired portion of term ending Dec. 31, 1944: Dolph Briscoe, stockraiser, Uvalde, Tex. Mr. Briscoe has served as a Director of the San Antonio Branch of the Federal Reserve Bank of Dallas since his appointment on Jan. 10, 1938.

N. Y. Budget Criticized

H. Boardman Spalding, Chairman of the Executive Committee of the New York State Chamber of Commerce, announced that the Chamber would continue the fight to have the State Income Tax law amended to permit the deduction of Federal income tax payments in computing State returns, despite the opposition of Governor Lehman and reported opposition of majority leadership in the Legislature. He said that the emergency reduction of 25% in the income tax rate proposed by Governor Lehman was welcome, but that it could not be attributed to State economy. The reduction of $5,000,000, or less than 2% in State expenditures proposed in the Governor's budget message was also criticized. Mr. Spalding said:

> Considering the fact that the Nation is at war, that taxpayers must pay the highest taxes in history, that the cost of living has greatly advanced and will go much higher and that everyone is being urged to buy defense bonds, the State's economy contribution to the war effort and its assistance to its taxpayers is microscopic.

The Chamber endorsed on Feb. 5 the Graves bill to create a temporary State Commission, patterned after the Byrd Committee in Congress, to study the fiscal affairs to the State Government with a view of effecting economies.

Says Savs. Institutions Can Prevent Inflation

The private institutions which hold the nation's savings "can do more to prevent the blowing up of the inflation bubble than all the talk about restrictive measures," if they will carry out their two primary functions of accelerating the liquidation of debts and speeding the accumulation of savings, Dr. W. H. Husband, a member of the Federal Home Loan Bank Board, declared. He proposed, in effect, that the increased volume of earnings resulting from the war program be invested by the public in Defense savings bonds and that "real leadership be taken by savings institutions themselves in reaching this objective." Dr. Husband added:

> "The present sacrifices these institutions would make as a result of such action will become the pillars of their business tomorrow. Not only will the liquidation of debt add to the soundness of the business structure but, in addition, the accumulation of savings will become a definite source of purchasing power. By these means, the groundwork will have been laid for private business recovery after the war."

As a step toward debt liquidation by home-financing institutions, Dr. Husband urged the adoption of arrangements which would encourage prepayments by borrowers on their mortgage loans on homes. The borrower who makes such prepayments, he said, should be permitted to stop his monthly payments without foreclosure on his home, if he later encounters temporary difficulties. He added:

> "The sale of Defense bonds and stamps is admittedly necessary on a scale which is difficult to appreciate, but if one can sense in some little way the meaning of $53,000,000,000 which is scheduled to be spent for war purposes in the next fiscal year, he will get some notion of the problem. To spend such a fabulous amount, it is obvious that the funds must be raised.
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> "There are two orthodox sources to provide these funds—taxes and the sale of Government bonds. Taxes have a higher rating in the scale of economic value, but Defense bonds and stamps may be held in higher esteem as an index of national morale. There is no escape other than the penitentiary from the payment of taxes, but the purchase of bonds and stamps is a voluntary deed. It reflects discipline as well as a response to the needs of our country."

Pres. Holds First Meeting With Joint Labor Board

President Roosevelt held his first meeting with the new A. F. of L.-C. I. O. War Labor Board on Feb. 6 discussing how labor's part in the national effort may be made most effective. This board, set up at the President's suggestion, consists of William Green, President of the A. F. of L., George Meany and Daniel J. Tobin also of the A. F. of L., while the C. I. O. group is headed by Philip Murray, President of the organization and includes R. J. Thomas and Julius Emspak. Others who were present at the meeting on Feb. 6 were Sidney Hillman, labor advisor to the War Production Board, and Mrs. Anna Rosenberg of the New York Social Security Board, who was made Secretary of the combined board. The next meeting of the group is scheduled for Feb. 20, at which time it is expected that a specific program for meeting various problems that may arise during war time will be presented.

Creation of the board was reported in these columns Feb. 5, page 577.